Tribune of March 20, captioned "The Cure That Failed," for a few moments caused me to think quite well of myself. The first three sentences are as follows:

> The Committee for Economic Development, a businessmen's organization, issued a report Monday declaring it to be essential that the Government adopt deficit financing whenever a serious recession in business develops. The committee says that to get out of a bad slump the Treasury should try not to raise enough revenue to pay for what it spends. Rather, it should reduce the income as the outgo mounts.

The Chicago Committee for Economic Development was of the opinion that, to balance the national budget, instead of soaking the people with additional taxes—for the Government has no other income—we should cut Federal appropriations.

Reading that paragraph for the third time, it came to my mind that several times on the floor of the House, and many, many times in letters to the home folks when they complained about high taxes—though some in the same letter asked for additional appropriations for one thing or another—I, and I capitalize the "I," had suggested that the true remedy was a reduction in governmental expenses.

Many times it has been my privilege to call attention to specific items, not only of extravagance, but of obvious waste, not only in the executive departments, but in the housekeeping of the Congress itself.

The all-too-often answer that came to me from some of my colleagues, and from some executive agencies, when it was suggested that this, that, or the other item of expenditure be avoided, was a frown or scowl, an expression of pain or disgust, a few left-handed compliments, downright plain rebuke or a suggestion that in some way I might practice a little more economy myself. The latter I have always tried to do, even though some of those who were personally adversely affected by the economy move did not appear overly happy.

When, as chairman of the House Committee on Government Operations, I suggested that, when Congress was not in session, the committee members should curtail some of their traveling, not only in this country, but abroad, the committee members—shall I say, "retaliated"; perhaps I should say, "responded"—by cutting off my authority as committee chairman to appoint special three-man subcommittees, and arrogated to themselves as members of subcommittees the authority to go when, where, and for any purpose they deemed advisable, to make investigations and hold hearings. Two of them have now spent 66 days abroad at taxpayers' expense.

Individuals and groups, inside and outside Government, think there should be economy—retrenchment—but usually in fields other than their own.

I still think that the way toward balancing the budget, toward reducing taxes, and sometime, I hope, making a payment on the national debt, is to cut down the expenditures of both the executive and the legislative departments. Just talking about it, promising it as each election approaches, so far hasn't done very much good.

This being an election year, if the people will get hot enough under the collar—if I may use that expression—to get after their Congressmen on this issue, there is still time before adjournment to get some worthwhile reductions in Federal expenditures.

SENATE

MONDAY, MARCH 29, 1954

(Legislative day of Monday, March 1, 1954)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Most merciful God, who art the fountain of all grace, who knowest our necessities before we ask, our ignorance in asking, and our fallible judgments: Have compassion, we beseech Thee, upon our infirmities. Strengthen us in all noble impulses, and daily increase in us the spirit of wisdom and understanding, the passion to find the truth and to be utterly fair in all our dealings and decisions. Dowered with privileges as no other Nation, give us a sympathy with other peoples whose prayer, "Give us this day our daily bread," has never yet been answered. May our high pedestal of well-being prove to be Thy call to protect the weak and exploited, that through the potent ministry of our dear land all peoples of the earth may be blessed. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 25, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts and joint resolution:

On March 26, 1954:

S. 489. An act to direct the Secretary of the Army to convey certain land, located in Windsor Locks, Conn., to the State of Connecticut;

S. 1827. An act to authorize the Secretary of the Army to disclaim any interest of the United States in and to certain property located in the State of Washington;

S. 2111. An act to permit the flying of the flag of the United States for 24 hours of each day in Flag House Square, Baltimore, Md.;

S. 2318. An act to repeal the act entitled "An act to authorize the Director of the Census to collect and publish statistics of red-cedar shingles"; and

S. J. Res. 34. Joint resolution authorizing the Secretary of the Army to receive for instruction at the United States Military Academy at West Point, two citizens and subjects of the Kingdom of Thailand, and the Secretary of the Navy to receive for instruction at the United States Naval Academy at Annapolis, two citizens and subjects of the Kingdom of Belgium.

On March 27, 1954:

S. 79. An act to authorize the Secretary of the Interior to cooperate with the State of Kentucky to acquire non-Federal cave properties within the authorized boundaries of Mammoth Cave National Park in the State of Kentucky, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed a bill (H. R. 8481) making supplemental appropriations for the fiscal year ending June 30, 1954, and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 8224) to reduce excise taxes, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. REED of New York; Mr. JENKINS, Mr. SIMPSON of Pennsylvania, Mr. COOPER, and Mr. MILLS were appointed managers on the part of the House at the conference.

LEAVE OF ABSENCE

Mr. SCHOEPPEL. Mr. President, I ask unanimous consent for permission to be absent from the Senate from 2 o'clock today until Wednesday afternoon, in order that I may return to Kansas to attend a funeral.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that immediately following the quorum call there may be the customary morning hour for the transaction of routine business, under the usual 2-minute limitation on speeches.

The VICE PRESIDENT. Without objection, it is so ordered.

CHANGE OF CONFEREES ON EXCISE TAX BILL

Mr. KNOWLAND. Mr. President, because of the illness of the Senator from Georgia [Mr. GEORGE], I ask unanimous consent that the senior Senator from Colorado [Mr. JOHNSON] be substituted as one of the Senate conferees on the excise tax bill. After consultation with the minority, I understand the substitution is agreeable.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. KNOWLAND. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATION, PAYMENT OF CLAIMS FOR DAMAGES, AUDITED CLAIMS, AND JUDGMENTS, ETC. (S. DOC. NO. 110)

A communication from the President of the United States, transmitting a proposed supplemental appropriation to pay claims for damages, audited claims, and judgments rendered against the United States, in the amount of $1,553,745, together with such amounts as may be necessary to pay indefinite interest and costs and to cover increases in rates of exchange as may be necessary to pay claims in foreign currency (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

AMENDMENT OF FEDERAL CROP INSURANCE ACT

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Federal Crop Insurance Act, as amended (with an accompanying paper); to the Committee on Agriculture and Forestry.

INCREASED RETIREMENT ANNUITIES OF CIVILIAN MEMBERS OF TEACHING STAFFS OF THE MILITARY ACADEMIES AND NAVAL POSTGRADUATE SCHOOL HERETOFORE RETIRED

A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to increase the retirement annuities of civilian members of the teaching staffs of the United States Naval Academy and the United States Naval Postgraduate School heretofore retired (with an accompanying paper); to the Committee on Armed Services.

NOTICE OF PUBLICATION OF PROPOSED DISPOSITION OF WHOLE BLACK PEPPER

A letter from the Administrator, General Services Administration, transmitting, pursuant to law, a copy of a notice to be published in the Federal Register of a proposed disposition of approximately 161,617 pounds of whole black pepper now held in the national stockpile (with an accompanying paper); to the Committee on Armed Services.

REPORT ON TRANSFER OF JURISDICTION OVER CERTAIN LANDS IN DISTRICT OF COLUMBIA

A letter from the Assistant Administrator, General Services Administration, reporting, pursuant to law, of the transfer of jurisdiction over cerain lands in the District of Columbia (with accompanying papers); to the Committee on the District of Columbia.

LAWS ENACTED BY LEGISLATIVE ASSEMBLY AND MUNICIPAL COUNCIL OF ST. THOMAS AND ST. JOHN, V. I.

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, copies of laws enacted by the Legislative Assembly and the Municipal Council of St. Thomas and St. John, Virgin Islands (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT ON COST AND FEASIBILITY OF SOUTHWEST CONTRA COSTA COUNTY WATER DISTRICT SYSTEM, CALIFORNIA

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a report on the feasibility and estimated cost of the Southwest Contra Costa County water district system, California (with an accompanying report); to the Committee on Interior and Insular Affairs.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAMES

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the names of sundry aliens from reports relating to aliens whose deportation had been suspended, heretofore transmitted to the Senate; to the Committee on the Judiciary.

ADMISSION OF DISPLACED PERSONS—WITHDRAWAL OF NAMES

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the names of certain aliens from reports heretofore transmitted to the Senate, pursuant to section 4 of the Displaced Persons Act of 1948, as amended, with a view to the adjustment of their immigration status (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate and referred as indicated:

By the VICE PRESIDENT:

A resolution of the House of Delegates of the State of Maryland; to the Committee on Armed Services:

"House Resolution 44

"Resolution memorializing the Congress of the United States to enact the legislation presently before it providing for the transportation of the U. S. S. *Constellation* from Boston to Baltimore, its home port

"Whereas the U. S. S. *Constellation*, oldest of the Nation's battleships, is presently berthed at the Boston Navy Yard; and

"Whereas this venerable vessel was launched at Baltimore on September 8, 1797; and

"Whereas more than 150 years ago a crew of Marylanders aboard the U. S. S. *Constellation* won the first American naval victory; and

"Whereas there is at present a bill before the Congress of the United States ordering the destruction of this famous ship; and

"Whereas it is the earnest desire of the people of Maryland to have the U. S. S. *Constellation* moved back to Baltimore, its home port, and preserved at Fort McHenry as a national shrine: Now, therefore, be it

"Resolved by the House of Delegates of Maryland, That the Congress of the United States be and it is hereby respectfully urged to enact the legislation presently before it with respect to the U. S. S. *Constellation* so that this ship may be returned to the State of Maryland as promptly as possible; and be it further

"Resolved, That the chief clerk of the house be instructed to send copies of this resolution to the President of the Senate of the United States, to the Speaker of the House of Representatives of the United States, to the Members of the Maryland delegation to the Congress of the United States, and to the Maryland Historical Society.

"By the house of delegates, March 1, 1954.

"Rules suspended and adopted.

"JOHN C. LUBER,
"Speaker of the House of Delegates.
"CLEMENT R. MERCALDO,
"Chief Clerk of the House of Delegates."

A resolution of the House of Delegates of the State of Maryland; to the Committee on Labor and Public Welfare:

"House Resolution 13

"Resolution requesting the Congress of the United States to provide sufficient funds to aid in school construction and in current school expenses in local school districts abnormally affected by increases in enrollment due to federally connected children.

"A significant part of the increasing burden of schools in Maryland counties and the city of Baltimore is coming from the influx of Federally connected children for whom schools must be provided. The Federal Government has recognized a responsibility for helping these Maryland counties and other counties and cities elsewhere in the country which are similarly affected. The Congress at the last session enacted two laws for the relief of such school districts. Public Law 246 extended Public Law 815 of the 81st Congress so that schools may apply for assistance in the construction of facilities needed to house federally connected children, who entered school between June 1952 and June 1954 and for whom no school facilities are available. The Office of Education estimates that the aid authorized by this new legislation will total $174 million for the 2-year period 1952–54. The Congress at the end of last session appropriated only $70 million for the first year's construction.

"It is apparent that $104 million is needed in supplemental appropriations for fiscal year 1954 and a new appropriation for fiscal year 1955 if the authorized program is to be carried out.

"Public Law 246 authorizes aid only for federally connected children who entered school between June 1952 and June 1954. There will be many such children who will enter Maryland schools in later years for whom there will not be adequate school facilities. It is therefore desirable that the authorizing legislation be extended for later years.

"The Congress at the last session also enacted Public Law 248 which extended Public Law 874 of the 81st Congress and extended the program of Federal financial assistance to school districts affected by Federal activity for current expenses through the fiscal year 1956. The Congress appropriated $66,500,000 for payments under Public Law 874 in fiscal year 1954. This will permit the payment of only a part of the aid authorized. A supplemental appropriation bill for fiscal year 1954 would be desirable and a regular appropriation for fiscal year 1955 will be necessary to provide Maryland and other counties the assistance authorized by law: Now, therefore, be it

"Resolved by the House of Delegates of Maryland, That the Congress of the United States be requested to take the necessary action to obtain the appropriation of sufficient funds to carry out the full intent of Public Law 246 and Public Law 248 for Federal aid to construction of facilities and for payment of current expenses in local school districts occasioned by increases in enrollment due to federally connected children. And be it further

"Resolved, That the chief clerk of the house be instructed to send copies of this resolution to the President of the Senate of the United States, to the Speaker of the House of Representatives of the United States and to each member of the Maryland delegation in the Congress of the United States.

"By the House of Delegates, February 11, 1954.

"JOHN C. LUBER,
"Speaker of the House of Delegates.
"CLEMENT R. IGERCALDO,
"Chief Clerk of the House of Delegates."

A letter in the nature of a petition signed by the school children of Casey Arriba Rural School, Anasco, Puerto Rico, condemning the action of certain persons in trying to assassinate Members of the House of Representatives; to the Committee on the Judiciary.

A letter in the nature of a petition from Frank Andrews, Modesta, Calif., enclosing a petition now in circulation in the city of Modesto, Calif., and the Modesto irrigation district, relating to the storage of water from the Cherry project, Yosemite National Park and Forest (with accompanying papers); to the Committee on Interior and Insular Affairs.

A letter in the nature of a petition from the Whittier (Calif.) Bar Association, signed by Josephine K. Stankey, secretary, favoring the enactment of legislation to increase judicial salaries; ordered to lie on the table.

ESTABLISHMENT OF REGIONAL OPERATIONS OFFICE BY POST OFFICE DEPARTMENT TO SERVE THE NORTHWEST

Mr. MORSE. Mr. President, I am in receipt of a letter from Gust Anderson, secretary of the Central Labor Council of Portland and Vicinity, in the State of Oregon, endorsing the establishment of a regional operations office to serve Oregon, Washington, Idaho, western Montana, and Alaska, which is now being considered by the Post Office Department. I present the letter for appropriate reference, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

CENTRAL LABOR COUNCIL,
Portland, Oreg., March 17, 1954.

Hon. WAYNE MORSE,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: The Central Labor Council of Portland, Oreg., AFL, has endorsed the establishment of a regional operations office to serve Oregon, Washington, Idaho, western Montana, and Alaska, which is now being considered by the Post Office Department. The principal function of this office will be to take care of financial operations, probably including payrolls, for the entire region.

Establishment of this office in Portland would require the employment of about 30 more postal employees here, and several more bank tellers. Bank deposits would be between $800,000 and $1 million daily.

If the office is established in Seattle or some other city, the loss to Portland would be $200,000 daily in deposits, and a loss of about 15 postal personne'. While this is not a great number, it is still another drop in our already brimming bucket of unemployment.

Office space soon will be available, since the entire fourth floor of the main post office is being vacated by the Forest Service.

Communications between Portland and the area to be served are excellent because of Portland's central location.

For a long time Portland has been the stepchild of the Pacific coast so far as regional functions of the Federal Government are concerned; nearly all of these operations are located in either Seattle or San Francisco.

Here is a chance for a good change. We feel that the Oregon delegation in Congress and President Eisenhower should be notified that this council believes that if a regional operations office of the Post Office Department is established, it should be located in Portland, Oreg.

Respectfully,

GUST ANDERSON,
Secretary.

DALLAS DISTRICT OFFICE OF VETERANS' ADMINISTRATION—RESOLUTION OF TEXARKANA AMERICAN LEGION POSTS, NOS. 25–28, ARKANSAS–TEXAS

Mr. JOHNSON of Texas. Mr. President, I understand that the Veterans' Administration is going ahead with plans to consolidate its district office at Dallas, Tex., with the district office at Denver, Colo.

In a resolution recently adopted by Texarkana American Legion Posts Nos. 25–28, Texarkana, Ark.-Tex., President Eisenhower was asked to intervene, in the interest of all veterans and their dependents, in the plan to consolidate the Dallas office with the Denver office.

This resolution is a proper part of the record concerning this proposal. I, therefore, ask unanimous consent that it be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Whereas VA Administrator H. V. Higley recently announced that the Dallas district office of the Veterans' Administration will be moved with the Denver Unit within 60 days; and

Whereas just 2 days prior to that announcement the Texarkana Gazette carried a front-page story released by the Associated Press stating that leaders in Washington had assured all interested parties that the proposed move would be delayed indefinitely until a thorough exploration of the matter could be made; and

Whereas Mr. Higley announced that the move was being made for economic reasons; and

Whereas in 1952 VA Administrator Carl Gray spent $605,000 of Government money to have a study made by Booz, Allen & Hamilton, management consultant engineers, of all VA operations for economy and efficiency. They recommended consolidation of all insurance functions into 3 centers and further recommended that Dallas, Tex., be 1 of the 3 centers; and

Whereas these experts stated (vol. VI, pp. 53 and 54) "Dallas has a good geographic location in the South and about halfway between the east and west coast. Personnel is reported to be available in adequate numbers. Railroad and airline transportation is satisfactory, too. The Federal Government owns an office building and * * *." They further stated: "Preference for Dallas is indicated because it is more centrally located in the territory to be served."; and

Whereas a subcommittee of the Committee on Veterans' Affairs inspected all of the 5 district offices in August 1953, and their printed report shows that the Dallas office has the best record of any office in the country for time taken to handle claims and release awards, which indicates to us that experts in the field of veterans' affairs, as late as 1952 and 1953, recognized the advantage of having 1 of the 3 insurance centers located in Dallas, Tex.; and

Whereas even private insurance companies recognize the desirability of maintaining local offices across the country where policyholders can get service on their policies. And, if it is good business for them to do so, it seems very important to us that the United States Government should render service easily accessible to America's wartime defenders whom the Government have urged to maintain their Government insurance; and

Whereas to remove the insurance service many hundred miles further from all of the veterans in the South will result in loss of service to the veteran, which by far outweighs any projected paper saving. The only saving would be in monetary benefits which the veteran and his dependents will lose by being deprived of proper accessible service which never was the intent of a grateful Congress and the people of the United States: Now, therefore, be it

Resolved by Texarkana American Legion Posts Nos. 25–28, Texarkana, Ark.-Tex., in regular meeting Tuesday, March 16, 1954, That a telegram be sent to President Eisenhower voicing our objections to this proposed move and asking him to intervene, in the interest of all veterans and their dependents, in the present plans of Administrator Higley; and, therefore; be it further

Resolved, That a copy of this resolution be forwarded to President Eisenhower, Senators Lyndon B. Johnson and Price Daniels, asking that they continue their fight to maintain this district office in Dallas, Tex., one of the most efficient district offices of the Veterans' Administration.

The foregoing resolution was read and adopted in the regular membership meeting of Posts Nos. 25–58 of the Texarkana American Legion this 16th day of March 1954.

ARTHUR L. JENNINGS,
Commander.

Attest:

ROY C. TURNER,
Adjutant.

LETTER AND RESOLUTIONS OF ITALIAN ALLIANCE CLUBS OF NORTH AMERICA, INC.

Mr. BUSH. Mr. President, I am in receipt of a letter from the Italian Alliance Clubs of North America, Inc., signed by Frank Covello, chairman of the legislative committee, transmitting two resolutions adopted by that organization relating to the present quota system in the Immigration and Nationality Act of 1952, and the increased postage rate on gift packages going to European countries. I present the letter and resolutions for appropriate reference, and ask unanimous consent that they be printed in the RECORD.

There being no objection, the letter and resolutions were received, ordered to be printed in the RECORD, and referred, as follows:

ITALIAN ALLIANCE CLUBS
OF NORTH AMERICA, INC.,
March 25, 1954.

Hon. PRESCOTT BUSH,
Senate Office Building,
Washington, D. C.

DEAR SENATOR BUSH: There appears to be a strong feeling among Americans of Italian descent living in Connecticut that the quota provided for in the Immigration and Nationality Act of 1952 fails to allocate to the countries of southern Europe and especially Italy an adequate quota of immigrants. It is the hope of Americans of Italian descent not only in Connecticut but throughout the country that something might be done to change the present act so as to make it possible for a greater number of Italian immigrants to enter this country.

There has also developed considerable feeling against the increase in the postal rates for gift packages sent to European countries and Italy in particular. The postal rates are now so high that it has become impracticable to send gift packages to needy persons and relatives in Italy.

At its meeting on November 1, 1953, the Italian Alliance Clubs of North America passed resolutions on each of these subjects. I have been asked to send to you copies of these resolutions. It is the hope of the Italian Alliance Clubs of North America that you will support any measure intended to give to Italy a larger quota of immigrants and will also support any measure intended to reduce the postal rates on gift packages sent to Europe.

Very truly yours,

FRANK COVELLO,
Chairman, Legislative Committee.

To the Committee on the Judiciary:

"RESOLUTION 1

"We, the officers, delegates, and members of the Italian Alliance Clubs of North America, Inc., comprising 42 affiliated societies and clubs, being assembled and gathered in convention at Torrington, Conn., on this date, unanimously adopt the following resolution:

" 'Whereas under the present quota system in the Immigration and Nationality Act of 1952 (also known as the McCarran Act), immigrants may be admitted only at the rate of a basic 153,700, more or less, a year, and only under quotas allotted to different nationalities in the same proportion to said 153,700 that the number of persons of the given nationality resident in the country in 1920 bore to the total continental population; and

" 'Whereas said quota system makes the annual quota of any quota area one-sixth of 1 percent of the number of inhabitants in the continental United States in 1920 attributable by national origin to such quota area; and

" 'Whereas such quota system is purely discriminatory in nature, arbitrarily and capriciously directed against nationals and origins from the southern and eastern European countries, e. g., the Italian nationals and origins; being predicated on a formula to favor and insure that the great majority of immigrants will be solely of northwestern European stock; and

" 'Whereas said quota system should be immediately reviewed and its formula completely revised, taking into consideration present-day nationals and origins, without disfavor and discrimination directed toward the southern and eastern European countries: Be it

" '*Resolved*, That the Italian Alliance Clubs of North America, Inc., go on record, insisting upon immediate action by the United States Congress when it convenes in January 1954, and to give support to legislation or to initiate legislation toward alleviating the said injustice existing in the present quota system in the Immigration and Nationality Act of 1952.'

"RESOLUTION COMMITTEE.

"Passed by the convention assembled:

"CHARLES C. DRAGHI,
Chairman."

To the Committee on Post Office and Civil Service:

"RESOLUTION 4

"We, the officers, delegates, and members of the Italian Alliance Clubs of North America., Inc., comprising 42 affiliated societies and clubs, being assembled and gathered in convention in Torrington, Conn., on this date, unanimously adopt the following resolution:

" 'Whereas the United States postal rates have been increased, once again, from 14 cents per pound on gift packages sent to European countries, in particular, Italy; and

" 'Whereas said postal rates are now as follows, to wit, 45 cents for the first pound and 22 cents per pound for each pound thereafter; and

" 'Whereas such postal rates create a financial burden and hardship; and

" 'Whereas such increased postal costs tend to discourage the flow of gift packages to European countries, and making such measure prohibitive in nature; and

" 'Whereas said gift packages contain needy goods to worthy and needy peoples: Be it

" '*Resolved*, That the Italian Alliance Clubs of North America, Inc., go on record, protesting the said postal rate increase and the Postmaster General and the Congressmen be so informed.'

"RESOLUTION COMMITTEE.

"Passed by the convention assembled:

"CHARLES C. DRAGHI,
Chairman."

DAIRY PRICE SUPPORTS—STATEMENT AND RESOLUTIONS

Mr. WILEY. Mr. President, I have warned again and again against the chain reaction of damage which will flow from the slash of dairy-parity support from 90 percent to 75 percent the coming Thursday, April 1.

I have pointed out that in an avalanche of messages to me from the grassroots of my State, farmers have pointed out that they cannot possibly stand the ruinous reduction in their income—income which gives to them now a mere 6 cents per quart of milk.

I send to the desk additional grassroots messages. I believe they are accurately indicative of opinion throughout America's dairyland.

I earnestly hope that proposed legislation which I have cosponsored will be enacted to forestall this parity slash.

I ask unanimous consent that the messages be printed at this point in the RECORD, and referred to the Senate Agriculture Committee.

There being no objection, the statement and resolutions were referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

WISCONSIN COOPERATIVE
CREAMERY ASSOCIATION,
Union Center, Wis., March 23, 1954.

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SIR: The delegates of the Wisconsin Cooperative Creamery Association, representatives of over 4,000 producers, at a special meeting held at Union Center, Wis., March 22, 1954, unanimously adopted the following statement:

"We deplore the action of the Secretary of Agriculture in lowering the support level of manufactured dairy products from 90 percent of parity to 75 percent as being too drastic and unfair to one small segment of agriculture, and particularly to a portion of that industry.

"The prices received by the producer of milk for fluid use will be reduced, under the present program, only on that percentage of his milk which will be diverted into manufactured products.

"We urge the Congress to alleviate this burden by limiting the Secretary's discretionary powers to not more than a 5-percent drop of the parity price in any 1 year.

"We feel that any reduction in prices received by producers of manufactured milk should be met with a comparable reduction to the producer of milk for fluid use."

Sincerely,

PAUL ORME,
General Manager.

COLUMBUS FALL RIVER CO-OP OIL CO.,
Columbus, Wis., March 24, 1954.

Senator WILEY,
United States Senate,
Washington, D. C.

DEAR SENATOR WILEY: Whereas the price of what the dairy farmer buys is as high or higher than ever; and

Whereas the cost of labor and extra effort to produce a clean and desirable product; and

Whereas other products such as oils, nuts, publications are subsidized far more than dairy products: Therefore, be it

Resolved, That the Columbus Far River Co-op Oil Co., at its annual meeting March 19, 1954, voted unanimously against 90 percent of parity being reduced in any way.

ARTHUR H. BIEDERMANN,
Secretary.

FARMERS UNION CO-OP,
Medford-Stetsonville, Wis., March 26, 1954.

Senator ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SENATOR WILEY: The 800 members of our cooperative at their annual meeting, held March 20, unanimously adopted the following resolution which we are sending to you for your consideration:

"Whereas farmers' net income decreased 7 percent in 1953, at the same time total personal incomes of all United States citizens increased 28 percent from 1947 to 1953; and

"Whereas the Secretary of Agriculture, by Government order, is attempting to further decrease the dairy farmer's income: Therefore be it

"*Resolved*, That the Stetsonville Farmers Union Cooperative members assembled at their annual meeting hereby protest the drastic cut in dairy farm price supports and urge that dairy prices be maintained equal to the basic commodity parity support level; be it further

"*Resolved*, That this resolution be sent to Secretary Benson, Senators Wiley and McCarthy, and Congressmen O'Konski, Lester Johnson, and Melvin Laird."

We have the honor to remain,

Very truly yours,

B. H. DASSOW,
Manager.

RESOLUTION

We, the producer owners of Mauston Cooperative Creamery, assembled in our annual meeting at Mauston, Wis., this 6th day of March 1954, do resolve as follows:

"We cannot agree with the decision of the Secretary of Agriculture in his too-drastic cut in the support prices of manufactured dairy products. We urge the Congress to alleviate the burden on the manufacturing milk producer in order that it might be comparable to other segments of agriculture.

"Should the decision of the Secretary of Agriculture stand, whereby he has seen fit to reduce the parity prices of production and to increase consumption of these products, we resolve that in order to accomplish these purposes without placing an undue burden on one segment of the industry that the prices received by the fluid-milk producer and those received by the manufactured milk and butterfat producer be comparably reduced."

MAUSTON CO-OPERATIVE CREAMERY,
ARTHUR F. ROBINSON, *Secretary.*

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. LANGER, from the Committee on the Judiciary, without amendment:

S. 110. A bill for the relief of Christopher F. Jako (Rept. No. 1094);

S. 366. A bill for the relief of Sister Concepta (Ida Riegel) (Rept. No. 1095);

S. 435. A bill for the relief of Setsuko Kinoshita (Rept. No. 1096);

S. 661. A bill for the relief of Nino Sabino Di Michele (Rept. No. 1097);

S. 804. A bill for the relief of Antonios Vasillos Zarkadis (Rept. No. 1098);

S. 809. A bill for the relief of Vittoria Sperti (Rept. No. 1099);

S. 860. A bill for the relief of Juanita Andrada Lach and Leticia Androda Lach (Rept. No. 1100);

S. 917. A bill for the relief of Stefan Burda, Anna Burda, and Nikolai Burda (Rept. No. 1101);

S. 1073. A bill for the relief of Mary Shizue Hirano (Rept. No. 1102);

S. 1135. A bill for the relief of Stamatios James Bratsanos (Rept. No. 1103);

S. 1141. A bill for the relief of Hildegard Noble (Rept. No. 1104);

S. 1155. A bill for the relief of Giuseppe Bentivegna (Rept. No. 1105);

S. 1290. A bill for the relief of Ruth Sonin (Rept. No. 1106);

S. 1296. A bill for the relief of Elfriede Hall (Rept. No. 1107);

S. 1313. A bill for the relief of Olga Balabanov and Nicola Balabanov (Rept. No. 1108);

S. 1477. A bill for the relief of Gerhard Nicklaus (Rept. No. 1109);

S. 1600. A bill for the relief of Esther Saporta (Rept. No. 1110);

S. 2243. A bill for the relief of Seiko Nagai and her minor child (Rept. No. 1111);

S. 2307. A bill for the relief of Harold George Wetzlmair (Rept. No. 1112);

S. 2469. A bill for the relief of Francisco Vasquez-Dopazo (Frank Vasquez) (Rept. No. 1113);

S. 2499. A bill for the relief of Hua Lin and his wife, Lillian Ching-Wen Lin (nee Hu) (Rept. No. 1114);

H. R. 962. A bill for the relief of Gabrielle Marie Smith (nee Staub) (Rept. No. 1115);

H. R. 2441. A bill for the relief of Husnu Ataullah Berker (Rept. No. 1116);

H. R. 3045. A bill for the relief of Nickolas K. Ioannides (Rept. No. 1117);

H. R. 3961. A bill for the relief of Margherita Di Meo (Rept. No. 1118);

H. R. 4707. A bill for the relief of Lee Yim Quon (Rept. No. 1119);

H. R. 4738. A bill for the relief of Gabriel Hittrich (Rept. No. 1120);

H. R. 4886. A bill for the relief of Ingrid Birgitta Maria Colwell (nee Friberg) (Rept. No. 1121);

H. R. 5085. A bill for the relief of Mrs. Marie Tcherepnin (Rept. No. 1122); and

S. J. Res. 130. Joint resolution requesting the President to proclaim the week May 2 to May 8, 1954, inclusive, as National Mental Health Week (Rept. No. 1123).

By Mr. LANGER, from the Committee on the Judiciary, with an amendment:

S. 653. A bill for the relief of Metorima Shizuko (Rept. No. 1124);

S. 939. A bill for the relief of Njdeh Hovhanissian Aslanian (Rept. No. 1125);

S. 1225. A bill for the relief of Brunhilde Walburga Golomb, Ralph Robert Golomb, and Patricia Ann Golomb (Rept. No. 1126);

S. 1321. A bill for the relief of Michajlo Dzieczko (Rept. No. 1127);

S. 1395. A bill for the relief of Manasseh Moses Manoukian, Elize Manoukian, nee Kardzair, and Socrat Manoukian, also known as Socrates Manoukian (Rept. No. 1128);

S. 2340. A bill for the relief of Alphonsus Devlin (Rept. No. 1129);

S. 2360. A bill for the relief of Jacob Vandenberg (Rept. No. 1130); and

S. 2596. A bill for the relief of Lucy Mao Mei-Yee Li (Rept. No. 1131).

By Mr. LANGER, from the Committee on the Judiciary, with amendments:

S. 95. A bill for the relief of Mrs. Donka Kourteva Dikova (Dikoff) and her son Nicola Marin Dikoff (Rept. No. 1132);

S. 855. A bill for the relief of Kirill Mihailovich Alexeev, Antonina Ivenovna Alexeev, and minor children, Victoria and Vladimir Alexeev (Rept. No. 1133); and

S. 1126. A bill for the relief of Sandy Michael John Philp (Rept. No. 1134).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. IVES:

S. 3192. A bill to promote public cooperation in the rehabilitation and preservation of the Nation's important historic properties in the New York City area, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DWORSHAK:

S. 3193. A bill to protect the essential security interests of the United States by stimulating the domestic production of lead and zinc, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. DWORSHAK when he introduced the above bill, which appear under a separate heading.)

By Mr. SMATHERS:

S. 3194. A bill to amend the Civil Aeronautics Act of 1938, as amended, so as to authorize the Civil Aeronautics Board to suspend certificates of air carriers under certain additional conditions; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLLAND:

S. 3195. A bill for the relief of Milani Fernanda; to the Committee on the Judiciary.

By Mr. DIRKSEN (by request):

S. 3196. A bill for the relief of Dr. Helen Maria Roberts (Helen Maria Rebalska); to the Committee on the Judiciary.

By Mr. MCCARTHY:

S. 3197. A bill to authorize the acceptance of conditional gifts to further the defense effort;

S. 3198. A bill to amend section 1 (d) of the Helium Act (50 U. S. C. 161 (d)), and to repeal section 3 (13) of the act entitled "An act to amend or repeal certain Government property laws, and for other purposes," approved October 31, 1951 (65 Stat. 708);

S. 3199. A bill to authorize additional use of Government motor vehicles at isolated Government installations, and for other purposes; and

S. 3200. A bill to amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses; to the Committee on Government Operations.

(See the remarks of Mr. MCCARTHY when he introduced the above bills, which appear under a separate heading.)

By Mr. JOHNSTON of South Carolina:

S. 3201. A bill for the relief of Zanis Rigos; to the Committee on the Judiciary.

By Mr. HENDRICKSON (for himself, Mr. LANGER, and Mr. CASE):

S. 3202. A bill to amend the law relating to indecent publications in the District of Columbia; to the Committee on the District of Columbia.

(See the remarks when the above bill was introduced, which appear under a separate heading.)

By Mr. BRICKER (for himself and Mr. JOHNSON of Colorado):

S. 3203. A bill to prohibit certain departments, agencies, bureaus, boards, commissions, and services of the Government from prescribing more than nominal fees or charges for inspections, certificates, registrations, licenses, permits, or applications issued or provided by them; to the Committee on Interstate and Foreign Commerce.

By Mr. KEFAUVER:

S. 3204. A bill to continue temporarily existing 90-percent-of-parity price supports for milk and butterfat; to the Committee on Agriculture and Forestry.

By Mr. GREEN:

S. 3205. A bill for the relief of Pamela Clowes; to the Committee on the Judiciary.

STOCKPILING PROGRAM FOR CRITICAL AND STRATEGIC MINERALS

Mr. DWORSHAK. Mr. President, on March 26 the President announced a stockpiling program for critical and strategic minerals. I introduce for appropriate reference a bill to impose import quotas on lead and zinc in order to make the stockpiling program effective for those minerals. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill (S. 3193) to protect the essential security interests of the United States by stimulating the domestic production of lead and zinc, and for other purposes, introduced by Mr. DWORSHAK, was received, read twice by its title, referred to the Committee in Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That no article (except babbitt metal, solder, lead in sheets, pipe, shot, glazier's lead, and lead wire) provided for in paragraph 391 or 392 of the Tariff Act of 1930, as amended, shall be entered, or withdrawn from warehouse, for consumption in any calendar year, beginning with the calendar year 1955, after the total aggregate quantity of lead contained in articles provided for in the said paragraphs 391 and 392 (not including the exceptions above specified) entered, or withdrawn from warehouse, for consumption in such calendar year amounts to 335,000 short tons.

SEC. 2. No article (except zinc dust and zinc in sheets) provided for in paragraph 393 or 394 of said act, as amended, shall be entered, or withdrawn from warehouse, for consumption in any calendar year, beginning with the calendar year 1955, after the total aggregate quantity of zinc contained in articles provided for in the said paragraphs 393 and 394 (not including the exceptions above specified) entered, or withdrawn from warehouse, for consumption in such calendar year amounts to 325,000 short tons.

SEC. 3. During the remainder of the calendar year 1954 beginning with the first calendar month following the 60th day after the enactment of this act, no article covered by section 1 or 2 of this act shall be entered, or withdrawn from warehouse, for consumption after the aggregate quantity of lead contained in articles covered by the said section 1 or zinc contained in articles covered by the said section 2 amounts, respectively, to the quantity of lead or zinc specified in the said section 1 or 2 reduced by one-twelfth for each calendar month of the current calendar year which precedes the calendar month following the 60th day after the enactment of this act.

SEC. 4. No article provided for in the said paragraphs 391, 392 (except babbitt metal, solder, lead in sheets, pipe, shot, glazier's lead, and lead wire), 393, or 394 (except zinc dust and zinc in sheets) shall be entered, or withdrawn from warehouse, for consumption after the beginning of the 1st calendar month following the 60th day after the enactment of this act except by, or for the account of, a person or firm to whom a license has been issued by, or under the authority of, the Secretary of Commerce, and only in accordance with the terms of such license. Such licenses shall be issued under regulations of the Secretary of Commerce which he determines will result to the fullest extent practicable in (1) the equitable distribution of such articles which may be entered, or withdrawn from warehouse, for consumption and (2) the allocation of shares of the quantities of the various articles which may be entered, or withdrawn from warehouse, for consumption among foreign supplying countries, based upon the proportions supplied by such countries respectively during previous representative periods, as determined by the Secretary of Commerce, taking due account of any special factors which may have affected or may be affecting the trade in the articles concerned. No article of a kind which is subject to the import quota provisions of this act shall be imported for stockpiling under

the authority of the Strategic and Critical Materials Stockpiling Act, as amended.

SEC. 5. The Secretary of the Treasury is authorized to make such regulations as he deems necessary to carry out such provisions of this act which the Treasury Department is required to enforce.

PROPOSED LEGISLATION RELATING TO NATIONAL DEFENSE

Mr. McCARTHY. Mr. President, I introduce for appropriate reference four administration bills relating to national defense.

The VICE PRESIDENT. The bills will be received and appropriately referred.

The bills introduced by Mr. McCARTHY were received, read twice by their titles, and referred to the Committee on Government Operations, as follows:

S. 3197. A bill to authorize the acceptance of conditional gifts to further the defense effort;

S. 3198. A bill to amend section 1 (d) of the Helium Act (50 U. S. C. 161 (d)), and to repeal section 3 (13) of the act entitled "An act to amend or repeal certain Government property laws, and for other purposes," approved October 31, 1951 (65 Stat. 708);

S. 3199. A bill to authorize additional use of Government motor vehicles at isolated Government installations; and for other purposes; and

S. 3200. A bill to amend section 3 of the Travel Expense Act of 1949, as amended, to provide an increased maximum per diem allowance for subsistence and travel expenses.

Mr. McCARTHY. Mr. President, the first of the bills, S. 3197, to authorize the acceptance of conditional gifts to further the defense effort, was submitted to the Senate by the Secretary of the Treasury, and referred to the Committee on Government Operations. It would reenact authority originally granted by the Congress in 1942 as part of the Second War Powers Act, but which was terminated with the repeal of that measure in 1946, and would enable the Government of the United States to accept gifts of money or other property, real or personal, conditioned upon their use for a designated purpose.

It is virtually identical with a bill, S. 1230, unanimously approved by the Committee on Government Operations in the 82d Congress, and which passed the Senate on the consent calendar.

The second of the bills, S. 3198, submitted to the Senate by the Secretary of the Interior and referred to the Committee on Government Operations, would restore to the Secretary authority to dispose of helium byproducts. This authority was formerly vested in the Secretary of the Interior, but was included in a repealer bill prepared by the General Services Administration with a view to eliminating laws in conflict with provisions of the Federal Property and Administrative Services Act of 1949, approved on recommendation of this committee, on October 21, 1951.

The bill has the approval of the Bureau of the Budget, the General Accounting Office, and the General Services Administration, including certain perfecting amendments to an original proposal previously submitted to the Committee on Government Operations.

The Comptroller General has held that this proposed legislation is required in order that the Secretary of the Interior may effectively carry out his responsibility under the Helium Act of 1925. It would reserve to the General Services Administration authority to dispose of property which is excess to the needs of the Department of the Interior. Under the provisions of the original statute, which would be restored by the proposed bill, the income received from the disposal of surplus helium byproducts was placed in a special revolving fund available for expenditure by the Secretary of the Interior for the development of new sources of helium supply, and for other purposes authorized by law.

The third bill, S. 3199, which would authorize additional use of Government motor vehicles at isolated Government installations, was submitted to the President of the Senate by the Department of Commerce, with a request for introduction and approval, and referred to the Committee on Government Operations. It would authorize Government employees who are stationed in remote areas and have at their disposal Government-owned motor vehicles, to use such vehicles for transporting their children to school, to the hospital, or to a doctor's office, when and where no other means of transportation is available.

This bill provides further that the use of these vehicles may not be authorized unless the head of the agency has determined that no other practical means of transportation is available, and that such use is necessary for the health and well-being of officers, employees, and dependents living in remote areas. It is understood that the Bureau of the Budget has approved this proposed legislation, and that this authority has been granted to certain other designated agencies.

The fourth of these proposals, S. 3200, is a substitute for a previous bill, S. 608, introduced at the request of the Secretary of the Treasury, to authorize an increase in the per diem allowance of Secret Service agents assigned to the protection of the President and the Vice President. The new bill accords with the recommendation of the Bureau of the Budget and practically all other Federal agencies, that the Committee on Government Operations should give consideration to extending the maximum subsistence allowance to employees of all Federal agencies who are in travel status, from $9 to $12 per diem. The Director of the Bureau of the Budget has submitted to the Committee on Government Operations detailed information in support of its position that such an increase is warranted, together with estimates as to the additional costs that would be involved.

HOUSE BILL REFERRED

The bill (H. R. 8481) making supplemental appropriations for the fiscal year ending June 30, 1954, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. LANGER, from the Committee on the Judiciary:

John A. Danaher, of Connecticut, to be United States circuit judge, District of Columbia circuit;

James Lewis McCarrey, Jr., of Alaska, to be United States district judge, division No. 3, district of Alaska;

Theodore F. Stevens, of Alaska, to be United States attorney for division No. 4, district of Alaska, vice Everett W. Hepp, resigned;

Donald E. Kelley, of Colorado, to be United States attorney for the district of Colorado;

W. Wilson White, of Pennsylvania, to be United States attorney for the eastern district of Pennsylvania;

N. Welch Morrisette, Jr., to be United States attorney for the eastern district of South Carolina;

Duncan Wilmer Daugherty, of West Virginia, to be United States attorney for the southern district of West Virginia;

Archie M. Meyer, of Arizona, to be United States marshal for the district of Arizona, vice Benjamin J. McKinney, retired;

William Raab, of Nebraska, to be United States marshal for the district of Nebraska, vice Frank Golden, resigned;

Charles Peyton McKnight, Jr., of Texas, to be United States marshal for the eastern district of Texas, vice Stanford C. Stiles;

Hobart Kelliston McDowell, of Texas, to be United States marshal for the northern district of Texas, vice James R. Wright, resigned; and

Emmett Mitchell Smith, of Texas, to be United States marshal for the southern district of Texas, vice Clifton C. Carter.

NOTICE OF HEARINGS BY SENATE INTERSTATE AND FOREIGN COMMERCE COMMITTEE

Mr. BUTLER of Maryland. Mr. President, the Water Transportation Subcommittee of the Senate Interstate and Foreign Commerce Committee has set an additional hearing for next week on a matter of immediate interest to all interested in the shipping industry.

On Monday, April 5, Senate bill 2370, to authorize the sale of certain ships to Brazil, will be under consideration. This hearing will begin at 10 a. m.

The hearing will be held in room G–16 of the Capitol.

GRANTING STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS—CONFERENCE REPORT

Mr. WATKINS. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 238) granting the status of permanent

residence to certain aliens. I ask unanimous consent for the present consideration of the report.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 238) granting the status of permanent residence to certain aliens, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered (7) and (8).

That the House recede from its disagreement to the amendments of the Senate numbered (1), (2), (3), (4), (5), and (6) and agree to the same.

ARTHUR V. WATKINS,
ROBERT C. HENDRICKSON,
PAT MCCARRAN,
Managers on the Part of the Senate.
LOUIS E. GRAHAM,
RUTH THOMPSON,
FRANCIS E. WALTER,
Managers on the Part of the House.

Mr. WATKINS. Mr. President, under the provisions of the Displaced Persons Act of 1948, certain aliens in the United States who are, in fact, displaced persons may apply for adjustment of their immigration status to that of permanent residents. If the Attorney General approves the application, the case is then submitted to the Congress for affirmative congressional approval. House Joint Resolution 238 as it passed the House of Representatives recorded congressional approval of a number of these cases. Thereafter, the Senate committee added the names of eight aliens whose cases had been recommended by the Attorney General. Thereafter, the House approved the inclusion of 6 of the 8 cases which were added by the Senate. The disapproval of the 2 remaining cases by the House was occasioned by the fact that the 2 cases were adjusted to permanent residents by other administrative processes.

The net effect of the conference report is for the Senate to agree to the elimination from House Joint Resolution 238 of those two cases which have been adjusted by other administrative processes.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

PRINTING OF PROCEEDINGS AT THE UNVEILING OF THE STATUE OF DR. MARCUS WHITMAN—INDEFINITE POSTPONEMENT OF HOUSE CONCURRENT RESOLUTION

Mr. MAGNUSON. Mr. President, there is on the desk House Concurrent Resolution 196, providing for the printing of proceedings at the unveiling of the statue of Dr. Marcus Whitman, which is identical with Senate Concurrent Resolution 57, which has been agreed to by the House of Representatives. I ask unanimous consent that House Concurrent Resolution 196 be indefinitely postponed.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

STANDING SELECT COMMITTEE ON SMALL BUSINESS—ADDITIONAL COSPONSORS OF RESOLUTION

Mr. THYE. Mr. President, on February 16, 1954, I submitted Senate Resolution 213, providing for the establishment of the present Select Small Business Committee as a standing committee of the Senate. Since that time I have received communications from the Senator from Illinois [Mr. DOUGLAS], the Senator from Texas [Mr. DANIEL], and the Senator from Montana [Mr. MANSFIELD], asking that they may join as cosponsors. Therefore, Mr. President, I ask unanimous consent that the names of those three Senators be added cosponsors, and, if the resolution is reprinted, that their names appear thereon as cosponsors.

The VICE PRESIDENT. Without objection, it is so ordered.

SEVENTY-FIVE PERCENT SUPPORT PRICE PROGRAM FOR DAIRY PRODUCTS

Mr. KEFAUVER. Mr. President, did the Senator from Minnesota refer to the 75-percent support price program for dairy products in the remarks which he just made?

Mr. THYE. No. I was referring to a resolution relating to the establishment of a small-business committee as a standing committee of the Senate. I submitted a resolution with reference to it some time ago. The question of the dairy price-support program is not before the Senate at this time. I wish it were before us for consideration this afternoon.

Mr. KEFAUVER. In view of the fact that the 75-percent support program will go into effect on April 1, unless some action is taken by Congress to postpone it, I wonder what the Senator from Minnesota feels is the prospect of getting such greatly needed action to protect the interests of dairymen before that date.

Mr. THYE. I regret that I must inform my friend that I cannot make any suggestion. I know of nothing that I can do that would bring about immediate action. I have endeavored to secure some action, but I have not been successful.

Mr. KEFAUVER. Does the Senator feel that a simple resolution, continuing the present program until the question can be fully considered by the appropriate committees, would meet with favor in both the House and Senate?

Mr. THYE. It would meet with favor, so far as I am concerned, and I am quite certain that there are many other Senators who share the feeling I have with reference to the question.

Mr. KEFAUVER. Setting aside temporarily the present unfinished business and making such a resolution the pending order of business is about the only hope we have for relief for the dairymen, is it not?

Mr. THYE. That is correct.

Mr. KEFAUVER. I wish to join with the Senator in hoping that may be done, because there is a great deal of distress among the dairy farmers in my own State, as there is in many other States.

Mr. THYE. I thank the Senator from Tennessee.

AMERICA-ISRAEL SOCIETY

Mr. IVES. Mr. President, as a member and one of the founders of the America-Israel Society, I have been greatly impressed by the splendid progress which this new organization has been making. Created to provide Americans with a better appreciation of the culture of Israel, and to encourage that nation to a better understanding of America and our way of life, the society can be of tremendous value not only to Israel and America, but to the free people throughout the world.

In this connection, I have prepared a statement on the America-Israel Society, which I ask unanimous consent to have printed in the body of the RECORD following these remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR IVES WITH REGARD TO THE AMERICA-ISRAEL SOCIETY

On May 11, according to an announcement recently issued, members of a new association, the America-Israel Society, will attend a dinner in the Hotel Statler, here in Washington, for a highly significant purpose—to honor the creative spirit of the people of Israel, a nation which attained independence only 6 years ago.

I believe this event deserves special note, for, in a sense, it marks another advance in the maturing relations between this country and Israel, a recognition by Americans of the importance of the interchange of cultural information in the lives of nations if there is to be continuing understanding. It is an advance with which I am proud to be associated.

The America-Israel Society is nonpartisan and nonpolitical. Its sole aim is to bring about a better understanding between the American people and the people of Israel and to foster between the two peoples an increasing cultural interchange. The people of Israel look with much admiration upon our achievements, not only in the areas of industry and commerce, but also in the areas of cultural attainment, whether in literature, painting, architecture, or other manifestations of our cultural spirit. They believe that we have much to give them, and they, I believe, have much to give us.

In that tiny land there are a great many men and women who were once distinguished for their cultural attainments in the homelands from which they were so ruthlessly driven—both by fascism and communism. Readjusting their lives in a new environment, they are beginning to recreate the old arts in a different atmosphere. And since they are, by the necessities of the case, a people possessing not one common language but many common languages, they are translating much of the literature of the world into the projected common language of Hebrew. High on the list of translations are the great American masters, ranging from Emerson and Mark Twain to such modern-day giants as Hemingway and Faulkner. English is widely spoken and read in Israel, and American books of all kinds outrank all foreign books in publication, while the greediness of the people to read is so great that bookshops are common throughout the country.

In another field, I am glad to say that the American people remain a churchgoing, Bible-reading, God-fearing people. Every year the Bible remains the best-selling book in the United States. It is, therefore, of great interest to us that scholars of Israel are engaged in constant archeological studies and research that throw new light upon the origins of the Bible. And it is particularly interesting, I think, that these researches tend to show that—doubters to the contrary notwithstanding—the Bible is

firmly rooted in fact. Many of our biblical scholars constantly interchange information with the biblical scholars of Israel, and so, aiding one another, aid all of us in the understanding of the book that is the foundation of our moral, political, spiritual, and ethical lives.

It is not too much to expect that, although the State of Israel is now in its infancy and is beset by a host of growing pains, there will spring from her hallowed soil not only new expressions of the arts that would enrich us as civilized peoples, but that there will also come perhaps a new flowering of faith in God among all men everywhere—that faith without which man is a blind creature walking directionless on the cold crust of a cold earth.

We know that in the field of botany miracles have been wrought by crossbreeding and that equal miracles have sprung from the crossbreedings of cultures. It is then my hope, and that of all men who would see humanity constantly moving upward, that we shall give liberally to Israel of our cultural gifts and that she, in turn, will give us or hers, to the end that we may both benefit.

APPROPRIATIONS FOR THE EDUCATIONAL EXCHANGE SERVICE

Mr. SMITH of New Jersey. Mr. President, on a previous occasion I have commented on the unfortunate and what seems to me to be the ill-advised action of the House Appropriations Committee in cutting the State Department's request for the Educational Exchange Service of our overseas information and good-will program from $15 million to $9 million for the coming fiscal year.

In this connection, I ask unanimous consent to have published in the body of the RECORD an editorial on this subject from the Washington Post and Times-Herald of Sunday, March 21.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

GOOD WILL PLOWED UNDER

Much as we appreciate the need for economy, it is difficult to understand why the House slashed so deeply into the educational exchange service of the overseas information and good-will program. The State Department's request for $15 million for continuation of the program at about its present level was cut to $9 million and of this $7,560,166 would go for the purchase of foreign credits in the United States Treasury. Some of the foreign credits would not be usable because they could be expended only for transportation and no dollar funds would be available to support students after their arrival. The result would be a most drastic curtailment of activities that have been earning good will and understanding for the United States the world over.

According to Senator FULBRIGHT, the cut would practically put out of business the student-exchange program that bears his name. In the case of 46 countries, including all the republics of Latin America, the exchange of students with the United States would be completely cut off. Plans for bringing so-called leaders of thought and attitude from 70 different countries, to acquaint them with the American way of life, would have to be dropped if the decision of the House should be sustained. And the same is true of the plan for sending American specialists abroad and of the teacher-exchange program designed to familiarize students abroad with American educational methods, customs, and ideas.

Is it possible that the House deliberately voted this false economy? American security, world peace, and in considerable measure prosperity depend upon continued close and friendly relations with other countries of the free world. The educational exchange program is one of the best means devised for promotion of understanding between peoples. It cannot be sacrificed without serious loss of the cement needed to hold the free world together. Every believer in free-world cooperation will hope that the Senate will vote to give the administration the funds it needs to make this device for building good will effective.

TREATY STATUS OF UNITED STATES-JAPANESE MUTUAL DEFENSE ASSISTANCE AGREEMENT

Mr. SMITH of New Jersey. Mr. President, on March 8, 1954, in Tokyo, Japan, Japanese Foreign Minister Katsuo Okaszaki and our American Ambassador, John M. Allison, in a ceremony held at the Foreign Office, signed a Mutual Defense Assistance Agreement between Japan and the United States of America. At the same time they signed a series of three other related agreements pertaining to the purchase of agricultural commodities, economic arrangements, guaranty of investments, and arrangements for the return of equipment under the mutual defense assistance agreement. These agreements were executive agreements, but they might also be construed as treaties. When we were advised of them, I was under the impression that the mutual security legislation on which they were based was adequate to authorize the execution of these agreements without the necessary treaty formalities with the requirement of the advice and consent of the Senate.

In light of this fact, however, under date of March 15, I addressed to the Secretary of State a communication raising the question whether executive agreements of this nature require any action by the Congress, in addition to the legislation already in existence, and especially whether these undertakings should be considered as treaties needing the advice and consent of the Senate.

Under date of March 23, I received a letter from Mr. Thruston B. Morton, Assistant Secretary of State, acting for the Secretary of State, and replying to my inquiry.

Because of the importance of this matter, I ask unanimous consent to have printed at this point in my remarks in the body of the RECORD the reply to my inquiry from the Secretary of State, through Mr. Morton.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, March 23, 1954.

Hon. H. ALEXANDER SMITH,
United States Senate.

MY DEAR SENATOR SMITH: The Secretary has asked me to reply to your letter of March 15, 1954, which raises the question whether the Mutual Defense Assistance Agreement and other agreements signed with Japan on March 8 should be submitted to the Senate for its advice and consent. You are, of course, correct in your assumption that these agreements may be concluded without the advice and consent of the Senate because they are authorized by the mutual security legislation, but I am glad to have the question raised so that we may be sure that we have resolved any doubts you may have.

I should first like to point out that these agreements are substantially similar in form and content to many others which have been negotiated over the past few years in connection with the mutual security program, and that they conform in all essential respects to standard patterns with which the Congress is familiar. In accordance with procedures which were established in May 1953, these agreements, like all other international agreements which have been negotiated since that time, were carefully checked in advance by the staff of Mr. Herman Phleger, the Legal Adviser of this Department, to insure that it was proper to conclude them without the advice and consent of the Senate. Under these procedures, no negotiations of executive agreements are undertaken without prior authorization in writing by the Secretary or the Under Secretary, and the agreements to which you refer were so approved on the basis of the clear statutory authorization contained in the mutual security legislation.

The principal agreement, dealing with the mutual defense assistance program, is required and authorized by section 402 of the Mutual Defense Assistance Act of 1949, as amended, which provides that "The President shall, prior to the furnishing of assistance to any eligible nation, conclude agreements with such nation," and prescribes certain of the terms which must be included in a mutual defense assistance agreement.

The mutual defense assistance agreements concluded pursuant to this section do not in themselves determine the nature and the level of the military assistance to be given the foreign country, but merely set forth certain terms and conditions on which any such assistance will be provided. Article I of the agreement with Japan states that "Each Government * * * will make available to the other * * * such equipment, materials, services, or other assistance as the Government furnishing such assistance may authorize" and provides that any assistance furnished by the United States will be furnished under the terms, conditions, and termination provisions of the authorizing legislation and appropriation acts dealing with the mutual security program. Since it is necessary each year to secure from Congress authority and funds to conduct the mutual security program for the following year, Congress will have the opportunity to review, on an annual basis, the military assistance which is planned for Japan. Thus, in presenting the mutual security program to Congress last year, it was indicated that we intended to give military assistance to Japan under that program upon the conclusion of the required agreement, and this year's presentation will give Congress an opportunity to consider again the plans for military assistance to Japan. These plans are directed exclusively toward increasing the capability of Japan to defend itself against internal subversion and external attack, with a view toward enhancing the security of the Pacific area and thereby making it possible for us gradually to withdraw our forces from Japanese territory.

The additional agreements which were signed with Japan at the time of the signing of the Mutual Defense Assistance Agreement are also authorized by the mutual security legislation. The purchase agreement and the agreement on economic arrangements were concluded pursuant to section 550 of the Mutual Security Act of 1951, as amended, and provide respectively for the sale to Japan of American surplus agricultural commodities and for the use of the sales proceeds as authorized by section 550. The agreement regarding guaranty of investments is being concluded pursuant to section 111 (b) (3) of the Economic Cooperation Act of 1948, as amended, and section 520 of the Mutual Security Act.

If you would like any additional information on the agreements signed with Japan on March 8, I would of course be delighted to go into the subject in greater detail.

Sincerely yours,

THRUSTON B. MORTON,
Assistant Secretary
(For the Secretary of State).

THE McCARTHY ISSUE—EDITORIAL FROM THE NEW YORK TIMES

Mr. LEHMAN. Mr. President, on yesterday there appeared in the New York Times a very interesting editorial entitled "The McCarthy Issue." The editorial clearly, concisely, and, I believe, with great accuracy sets forth and discusses the issues involved in the McCarthy inquiry which I hope will be undertaken without further delay. The editorial is of such great importance that I ask unanimous consent to have it published in the body of the RECORD, as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE McCARTHY ISSUE

The inquiry of the McCarthy committee into the case of McCARTHY versus the Army is supposed to begin this week. It has already been postponed too long. But no matter what the reasons may be for delay, they must be overcome so that the hearings can begin at the earliest possible moment. If there are any parties to this dispute, or any politicians concerned with it, who think that a few more days' delay will cause public interest to disappear and the issues to go away of their own accord, they are very much mistaken.

It seems to us that there has been a good deal of confusion, some of it purposely generated, over just what issues are involved, and we think it may be helpful to try to clarify the problem. In the first place, there is the immediate issue of the word of Senator McCARTHY and his chief counsel, Roy M. Cohn, against the word of Secretary Stevens and his chief counsel, John G. Adams. On the one hand, Senator McCARTHY and Mr. Cohn are accused of seeking special privileges in the Army for their protege and friend, G. David Schine. On the other hand, the Army spokesmen are accused, in Senator McCARTHY's ugly word, of trying to blackmail the McCarthy committee into dropping its investigation of alleged coddling of Communists in the Army.

If either of these charges should prove to be indisputably true that would not alone disprove the truth of the other charge. What the coming investigation has to do—and we emphatically think that the wrong committee has been picked to conduct this investigation, but that is water over the dam—is to go to the root of all the charges and to determine exactly what was said and what did happen. The public will be satisfied with nothing less, and it should be satisfied with nothing less. This, then, is the immediate issue over the facts; and yet it is by no means the fundamental issue in this dispute.

In the second place, there is the issue raised by Senator McCARTHY and his friends, the issue of whether or not the Army should have given an honorable discharge to a dental officer who had pleaded the fifth amendment, and the corollary issue of whether or not the commanding general of Camp Kilmer, along with the rest of the Army "brass," has really been coddling Communists. This has become the most completely false and phony issue that could be imagined.

The Army in the person of Secretary Stevens long ago said that a mistake had been made in the Peress case, and that procedures would be revised accordingly. To suggest on the basis of this case and other similar cases, if there are any, that the Army is either riddled with Communists or is soft on Communists is insulting to the intelligence.

Senator McCARTHY's effort to make the Nation believe that he has discovered the evils of communism in or out of the Army and that he is the only one doing anything about it is pure political fakery. There is not the slightest doubt—nor was there long before Mr. McCARTHY emerged from Wisconsin—as to where the American people and the American Government stand on the question of communism. This certainly is not and never was the issue, let Mr. McCARTHY try hard as he will to make it so. Nor is the issue the right of congressional committees to make investigations. Of course they have that right; but they also have the obligation to keep their investigations within constitutional bounds.

The real and fundamental issue, once the immediate question of fact has been disposed of, is whether or not the American people are going to stand any longer for the disruption of orderly governmental processes that Mr. McCARTHY and his kind represent. The real issue is whether Mr. McCARTHY is going to be permitted to continue to encroach on the executive prerogative; whether he is going to be permitted to destroy the constitutional relationship between the executive and legislative branches of Government; whether he is going to be permitted to undermine the Bill of Rights. Reduced to the political level, it becomes an issue of whether he is going to be permitted to capture control of the Republican Party.

These are the deep-seated issues in the battle between Senator McCARTHY and the American people; and the administration will fail to recognize these issues at its peril.

GUIDING PRINCIPLES FOR LEGISLATIVE INVESTIGATING COMMITTEES

Mr. LEHMAN. Mr. President, the National Community Relations Advisory Council, on behalf of 5 national and 31 local Jewish agencies throughout the country, has prepared a statement of guiding principles for legislative investigating committees. It is a very thoughtful statement and, in my judgment, a very useful one. There are in it a few points which I have not had a chance to think through thoroughly; but, expressing as it does, the views of organizations representing many thousands of Americans, I think it merits the consideration of every Member of the Senate.

Therefore, I ask unanimous consent that the statement and the list of all the organizations and agencies subscribing to it be printed in the body of the RECORD.

There being no objection, the statement and list of organizations were ordered to be printed in the RECORD, as follows:

THE HIGHEST GOOD: INDIVIDUAL JUSTICE—A STATEMENT OF GUIDING PRINCIPLES FOR LEGISLATIVE INVESTIGATING COMMITTEES

The large number of congressional investigations into virtually every aspect of our national life, especially into the acutely sensitive areas of loyalty and internal security, has emphasized anew the problem of reconciling competing public interests.

The proper exercise of the legislative function assumes that the legislature will be empowered to acquire information necessary to the intelligent and effective formulation of legislative recommendations. Indeed there is a legitimate need for wide public knowledge about the conduct of government and the administration of public office. Congressional committee investigations in the past unquestionably have made notable contributions leading to the enactment of significant legislation and the detection of corruption in government.

FAIR HEARINGS

Public concern over the conduct of current investigations does not stem from hostility to legislative investigating committees as such but from the absence of controls over committee activities and from the excesses which some committee members have, therefore, been free to indulge in. The need for Congress to be informed cannot justify or excuse abandoning the fair hearings that Americans traditionally have thought inseparable from any just system of laws. Recent events have underscored the importance of insuring that witnesses or other persons affected by proceeding before investigating committees will not be unjustly accused or degraded, that they will not be forced to a public avowal and justification of wholly irrelevant private beliefs, and that all persons summoned to testify will receive opportunity for full and fair explanation of any acts called into question.

We pride ourselves on having created a government of laws rather than of men. The legislative investigating committee, because it functions without statutory restraints, remains the outstanding exception to this general principle. It enables irresponsible individuals without check by regulatory standard to exercise profound, often disastrous, influence over the lives of others. It denies those who have been pilloried any basis for defense or appeal.

JEWISH CONCERN FOR DEMOCRATIC FREEDOMS

As part of a democratic society whose security ultimately depends on the maintenance of a sound and healthy political structure, Jews must share the concern of all groups in America over encroachments upon individual liberties. Democracy is indivisible. No one of its fundamental features can be vitiated or destroyed without imperiling the whole. Neither the Jewish community nor any other segment of our population can afford to be complacent or aloof when confronted with consistent assaults upon individual freedoms.

The threat of communism to free institutions everywhere must be faced. A common and fundamental theme of both Judaism and democracy is the concern with the sanctity and dignity of the individual. Our Jewish history and tradition have inspired a devotion to the principle of individual liberty and have rendered us sensitive to any attacks on human freedom. Accordingly, Jewish organizations have consistently opposed communism and repudiated the limitations on freedom which inhere in it and in the methods it employs.

ORDERLY PROCESS

The advantages of congressional investigations can be retained and yet made compatible with individual liberties if we introduce in this area the orderly processes that characterize our other legal institutions. For this purpose we propose the following guiding principles for the conduct of legislative investigating committees. Adoption of these principles by our legislatures will, we believe, insure fairness to the individual witness or person affected by the conduct of the hearing. They will aid the committees in discovering the facts involved in the inquiry and will strengthen and bolster public confidence in legislative investigations.

These principles express our belief that in this country individual justice constitutes the highest common good.

Congress should enact a code of fair procedures binding upon its investigating committees based upon the following principles:

1. Congressional investigations should be limited in scope to those matters in which Congress may legislate or exercise any other power specifically granted by the Constitution. The obtaining of evidence for use in criminal prosecutions or educating the public at best should be a byproduct but never the primary purpose of a congressional investigation.

The congressional power in investigate is not specifically stated in the Constitution. It is an implied one sanctioned by the courts to make effective the other powers of Congress. Lacking a general power to investigate, Congress can only conduct inquiries to gather information for legislative purposes and to check on the administration and enforcement of law and the economy and efficiency of Government. A congressional committee therefore must not function as a grand jury. Nor should it exercise its powers for the purpose of exposing individuals or holding them up to public scorn.

2. One-man investigating committees should be prohibited. All phases of an investigation, including the authorization of subsidiary inquiries, the hiring of staff, the scheduling of hearings, the subpenaing of witnesses and the releasing of public statements and reports, should represent the considered judgment of the majority of the committee. Sworn testimony should be taken only in the presence of at least two members of a committee.

When Congress authorizes a committee to conduct an investigation, it contemplates that all important decisions in its course will be taken after due deliberation by all members of the committee. A committee should not delegate its powers to one of its members and a committee chairman should not usurp the powers of other committee members. Full committee deliberation prevents abuse of power, arbitrary or capricious action and partisan exploitation of a committee's function. It is particularly important that a witness who runs the risk of criminal prosecution for contempt of a committee that lacks the procedural safeguards afforded in other proceedings should not be compelled to testify before only one committee member.

3. To insure full deliberation, all members of investigating committees should receive due notice of meetings and other committee action. Adequate provision should be made for minority reports.

4. Material reflecting adversely upon persons living or dead should not be made public before an opportunity has been afforded such persons or their representatives to refute derogatory or defamatory statements. Rebuttal testimony should be released simultaneously with publication of such material.

The practice of condemning individuals or organizations without giving them an opportunity to defend themselves is a serious abuse on the part of a congressional committee, particularly in releasing testimony given in executive session, in offering such testimony at public hearings or in releasing reports not based on any hearings. These are areas which are in particular need of regulation, for such practices, if allowed to continue unchecked, will destroy public confidence in all legislative investigations.

5. Persons or organizations against whom charges are made in public hearings should be afforded an opportunity to present their side of the case publicly as soon as possible after the making of the charge and in circumstances as public as those in which the charge was made. This opportunity should include the right to cross-examine witnesses for a reasonable time.

It is not sufficient to allow persons or organizations exposed to the glare of modern publicity media merely to file with a committee an affidavit containing their side of the case. To insure elementary fairness and a balanced presentation of both sides of a case, they should be given limited but reasonable facilities to testify before the committee and to cross-examine their accusers. It is no answer to reply that investigating committees are not courts or lack time to play fair. If they lack time to allow an adequate defense to be presented, they should not be permitted to make accusations.

6. Material in the files of an investigating committee, not previously released by the committee in the form of an official report, should be kept confidential and made available only to Federal investigative and intelligence agencies and State prosecution agencies for their official purposes.

The House Committee on Un-American Activities has compiled dossiers on at least a half-million American citizens. These dossiers are not balanced evaluations of a person's career but mere compilations of undigested material deemed derogatory, as the Bishop Oxnam hearing demonstrated. These dossiers, never authorized by Congress, have in the past been made available indiscriminately although they are able to ruin a person's career or blast his reputation. Such material should be confidential, as are similar materials in the files of the FBI, and should be similarly restricted.

7. Committee members or employees should not issue any public evaluation of a person under investigation until the inquiry relating to such person has been completed and a committee report thereon adopted.

The principle that this is a Government of laws and not men requires at least that no person should be held up to public scorn by the offhand comments of a single committee member or staff employee. No public interest is lost or jeopardized by a requirement that no person be stigmatized except by the committee investigating him and then only after it has completed its investigation and has heard his side of the case.

8. No hearing of a legislative investigating committee should be photographed, televised, broadcast, or recorded for radio over a witness' objection.

It is indeed anomalous that in our courtrooms where parties are protected by counsel and judges, radio, television, and cameras are forbidden but in congressional hearing rooms public exhibitions are often staged. Such exploitation should be forbidden whenever the witness objects, because of the tendency to distract, confuse, and often frighten a witness and because of the inevitable sensationalism that results, preventing a calm, decorous, and fair account of what is happening.

9. Investigating committees should be empowered to invoke the aid of the courts in compelling answers to questions. Constitutional objections and questions of privilege raised by a witness should be tested through summary judicial procedures rather than by defenses in criminal prosecutions.

A witness who refuses to answer a pertinent question put to him by a congressional committee, thereby commits a misdemeanor and may be jailed for 1 year. Moreover, a witness who refuses to answer does so at his peril, even if he is acting in good faith and on the advice of competent counsel and although he may have reasonable grounds upon which to refuse. This criminal sanction is not only too drastic and inflexible but also is cumbersome and long drawn out. A congressional committee, like any administrative agency possessing the power to compel testimony, should be able to resort to the courts to compel answers in lieu of criminal prosecution that does not result in answers. Such judicial procedures should also provide a forum to test questions of privilege raised by a witness. Frivolous or dilatory objections can be dealt with summarily by the courts.

10. The Rules Committee of each House of Congress should be empowered to receive and investigate complaints of abuses of congressional investigating committees and to report its findings and recommendations to the Congress.

To provide some way of enforcing these rules of procedure, complaints to the Rules Committee of each House should be authorized. These committees may in appropriate cases recommend to the full House censure of committee or committee members and, where abuses are more flagrant, even more drastic sanctions. The mere existence of such a remedy will induce fair procedures by investigating committees and promote public confidence in a power so important to the effective functioning of the Congress.

NATIONAL COMMUNITY RELATIONS ADVISORY COUNCIL

CONSTITUENT ORGANIZATIONS

National agencies

American Jewish Congress, Jewish Labor Committee, Jewish War Veterans of the United States, Union of American Hebrew Congregations, Union of Orthodox Jewish Congregations of America, United Synagogue of America.

Local, State, and regional agencies

Jewish Welfare Fund of Akron; Jewish Community Relations Council for Alameda and Contra Costa Counties, Calif.; Baltimore Jewish Council; Jewish Community Council of Metropolitan Boston; Jewish Community Council, Bridgeport, Conn.; Brooklyn Jewish Community Council; Community Relations Committee of the Jewish Federation of Camden County, N. J.; Cincinnati Jewish Community Council; Jewish Community Federation, Cleveland, Ohio; Connecticut Jewish Community Relations Council; Detroit Jewish Community Council; Elizabeth, N. J., Jewish Community Council; Jewish Community Council of Essex County, N. J.; Community Relations Committee of the Hartford (Conn.) Jewish Federation; Indiana Jewish Community Relations Council; Indianapolis Jewish Community Relations Council; Community Relations Bureau of the Jewish Federation and Council of Greater Kansas City; Community Relations Committee of the Los Angeles Jewish Community Council; Milwaukee Jewish Council; Minnesota Jewish Council; New Haven Jewish Community Council; Norfolk Jewish Community Council; Philadelphia Jewish Community Relations Council; Jewish Community Relations Council, Pittsburgh; Jewish Community Council, Rochester; Jewish Community Relations Council of St. Louis; Community Relations Council of San Diego; Southwestern Jewish Community Relations Council; San Francisco Jewish Community Relations Council; Jewish Community Council of Greater Washington (D. C.); Jewish Community Relations Council of the Jewish Federation of Youngstown, Ohio.

THE ST. LAWRENCE SEAWAY

Mr. WILEY. Mr. President, this Thursday the House of Representatives Rules Committee is scheduled to take up once again Senate bill 2150, the Wiley bill, for completion of the Great Lakes-St. Lawrence Seaway. It is my earnest hope that the Rules Committee will report a rule calling for early consideration of the bill.

I want to say very frankly, however, that there have been many disturbing signs that the Rules Committee will do exactly the opposite, that it will simply delay its final decision until, perhaps, Eastertime. Then, presumably, at that time it can delay until May 1; and on

May 1, bring about another delay, and so forth. At least this is the hope of the Pennsylvania Railroad, the New York Central, and quite a few other railroads which have left no stone unturned in lobbying to delay the seaway.

They know that delay is their only way, at the moment, of trying to frustrate the will of the American people. If they cannot delay the bill, they will try to cripple it by the so-called Brownson amendment.

The eyes of the American people are on the House Rules Committee. The Rules Committee has the opportunity to proclaim whether the Association of American Railroads shall be considered as superior to the needs and desires of 160 million American people, or whether the people's wishes, delayed and sabotaged for 30 years by selfish lobbyists, shall prevail.

The railroads, in their last-ditch lobbying against the seaway, again have proven their blindness. They have opposed every waterway project in American history, contending that "disaster would come" if a new water channel was opened, whether it be the Panama Canal or the St. Lawrence Seaway. The railroads have been wrong before, and they are wrong again.

Fortunately, many enlightened railroad leaders and many fine railroad brotherhood officers and union members are keenly aware that the seaway, far from hurting the railroads, will probably help them by creating more feeder traffic. However, that has not stopped the lobbying of the Pennsylvania Railroad and its cohorts.

I earnestly hope, however, that events within the next brief period will show that the Congress is not going to permit itself to be hoodwinked.

EARL L. CANFIELD—NAVY CIVILIAN AWARD

Mr. PURTELL. Mr. President, last Thursday, March 25, a resident of my State, Earl L. Canfield, of Essex, Conn., received the Navy's highest civilian honor for his outstanding voluntary contribution to the Navy in successfully solving manufacturing problems that were retarding the production, assembly, and delivery of Mighty Mouse, the Navy's folding-fin aircraft rocket. I ask unanimous consent to have inserted in the body of the RECORD at this point the Department of Defense's announcement of this award.

There being no objection, the citation was ordered to be printed in the RECORD, as follows:

HIGHEST NAVY CIVILIAN AWARD PRESENTED ORDNANCE EXPERT

Earl L. Canfield, president of the Sight Light Corp. of Deep River, Conn., will receive the Navy's highest civilian honor—the Distinguished Public Service Award—in a ceremony at 2 p. m., Thursday, March 25, 1954, in the office of the Secretary of the Navy Robert B. Anderson, the Navy announced today.

The Secretary will present the award to Mr. Canfield in recognition of his outstanding voluntary contributions to the Navy in successfully solving manufacturing problems that were retarding the production, assembly, and delivery of Mighty Mouse, the Navy's 2.75 MM folding-fin aircraft rocket.

In his capacity as a member of the Ordnance Advisory Committee of the National Security Industrial Association, Mr. Canfield at his own expense and time devoted 6 months in 1953 to work out the solution of the complicated problems that were retarding manufacture and production of the rocket for the Navy Bureau of Ordnance.

As a result of his ability, advice, and initiative the Bureau was able to greatly accelerate the rate of final assembly and delivery of the rocket, and to effect a large savings of funds through simplification of production techniques.

In recommending Mr. Canfield, who now is secretary of NSIA, for the Navy's top civilian honor, Rear Adm. M. F. Schoeffel, Chief of the Bureau of Ordnance, stated:

"It is desired to emphasize strongly that in rendering this outstanding service to the Government, the benefits of which are almost incalculable, Mr. Canfield was motivated by the highest principles. Neither he nor his company stood to profit in any way through these accomplishments. In addition, it is to be noted that he transmitted to other commercial manufacturers, possibly competitors in some fields, without remuneration, technical instructions, and production techniques."

Mr. Canfield, whose home is in Essex, Conn., will be accompanied by his wife and son, David, at the ceremony.

Officials of the National Security Industrial Association, including Homer Ewing, president; John J. Hopkins, chairman of the Board of Trustees; H. H. Buttner, trustee, and Fordyce Tuttle, chairman of the Ordnance Advisory Committee, also are expected to attend along with officials of the Navy Bureau of Ordnance.

Mr. Canfield was apprised in March, 1953, of the grave difficulties that were retarding production of the rocket. As a result of his knowledge of production processes and cumulative analyses, he detected the difficulty and suggested a simple means of correcting it. To assure himself of the soundness of the solution he had recommended he made numerous trips to the Bureau of Ordnance, the Naval Ammunition Depot, Shumaker, Ark., the Naval Ordnance Test Station, Inyokern, Calif., and to plants of several commercial contractors working on the project.

The citation for Mr. Canfield reads:

"The Navy Distinguished Public Service Award is hereby presented to Earl L. Canfield for his outstanding voluntary contributions to the United States Navy in the field of ordnance. Mr. Canfield, through his outstanding initiative, professional ability, and enthusiasm, solved a manufacturing problem which had retarded production of aircraft rockets, resulting in vastly improved delivery rates, simplification of manufacture, and almost incalculable savings of funds. In full appreciation of his valuable services to the Navy and the high order of his patriotism, this award is presented this 25th day of March 1954."

JUVENILE DELINQUENCY

Mr. LANGER. Mr. President, the Senator from New Jersey [Mr. HENDRICKSON], who is unavoidably detained, had intended to address the Senate today on the subject of juvenile delinquency. On his behalf, I ask unanimous consent to have printed in the body of the RECORD at this point the remarks which he had intended to deliver.

There being no objection, the remarks prepared by Mr. HENDRICKSON were ordered to be printed in the RECORD, as follows:

REMARKS PREPARED BY SENATOR HENDRICKSON

Americans are not traditionally a people guilty of moral flabbiness. When they become aware that an evil condition exists they seek to eliminate it. As George Santayana has pointed out—

"To be an American is of itself almost a moral condition."

As chairman of the Subcommittee on Juvenile Delinquency, there has come to my attention a wicked and disgusting problem, shocking enough, it would seem, to arouse a feeling of loathing and disgust in any American. It calls for immediate remedy. I do not doubt the unanimity of action the Senate will display in taking the necessary steps to bring about a proper remedy, once the Senate learns the despicable facts of this situation.

I am going to ask the Senate to do all in its power to stop the traffic—commercial traffic, if you will—of the insidious filth which is being specifically aimed at our youth.

I do not speak of just the pocketbook editions and the truly salacious literature which frequently adorn our drugstore newstands. What I wish to call to your attention is the growing illicit trade across our Nation of filthy and perverted films, books, cartoons, pamphlets, recordings, and objects of sex depravity so utterly indecent as to shock every civilized American, were he aware of them. I had a difficult time believing that such lewd stuff existed. And yet our subcommittee staff has learned that virtually every major city across America is being hit with constantly increasing complaints concerning such traffic.

Traffic in insidious filth, which destroys the moral fiber of our youth and our Nation, has become big business. Although our investigations of pornographic literature have just begun, it is estimated that the nationwide traffic in this filth could run from $100 million to $300 million a year. Our subcommittee has learned that one operator starting with $300, had amassed a quarter of a million dollars 2 years later. He dealt in erotic films. Two hundred feet of 8-millimeter film brought him $15; 400 feet of 16-millimeter film brought him $25. A few feet of sadistic color film with sound brought $100.

One great city has destroyed 400,000 feet of such film during the course of a single year.

Those who thus pander shamelessly to the erotic instinct in order to make a filthy dollar at the expense of our youth and our Nation are as dangerous to our national welfare as any Communist conspirator.

Besides the illicit film traffic, millions of black and white and colored photos, almost indescribably pornographic, are peddled by dealers in ever-increasing numbers. Filthy cartoon books in color displaying sex irregularities are sold by these panderers to countless teenagers. One mother discovered that her son was using his lunch money to pay to read booklets and look at photos other teenagers had purchased. Parties—or rather, sex parties—are inspired by the panderers in order to increase their sales.

No one familiar with the statistics of our divorce courts or of our juvenile courts can doubt that looseness in sex morality has serious social consequences. That is another reason for my grave concern over this particular problem.

Our subcommittee staff has learned that laws pertaining to the sale of lewd and licentious material are totally inadequate to cope with the problem. Local and State laws are weak and our Federal laws even weaker.

Just last week the District of Columbia police arrested a malefactor. It cost $300 to build the case against him—the cost of

police purchases of his material. He was charged with 10 counts. The court threw out 4. He was fined $250 on the other 6 counts and given a suspended sentence of a year in jail. In other words, this panderer came out $50 ahead of his dealings with the police.

In another city the police arrested a man driving a Packard automobile and found 558 rolls of immoral film. His car was confiscated but was soon returned to him and the man was fined a mere $100.

In the District of Columbia, our investigators were told by Inspector Blick, head of the morals squad, that his men work for months to build a case, make the raid, bring the rascal to trial, and the law is so weak that he gets off with a fine he can make up in half a day.

Their job, the inspector says, is the most frustrating in town. They have even known of a case in which, within 2 hours after a man was found guilty of selling this vile material, he was back in business selling it again. This state of affairs cannot continue.

Our subcommittee is studying all aspects of the situation and will, from time to time, ask the Senate to consider remedial legislation.

The first of such legislation I will shortly offer the Senate. It is designed for the District of Columbia where the situation cries for immediate action. This proposed legislation is but a first step. But it is a vital one, and I am joined in sponsorship by the Senator from North Dakota [Mr. LANGER] and the Senator from South Dakota [Mr. CASE].

In essence, the proposed law would do two things:

1. Make mandatory a jail sentence of not less than 1 year for anyone found guilty a second time of dealing with lewd, immoral, licentious material.

2. Authorize the court to permit the public prosecutor to confiscate and have sold at public auction all cameras, presses, trucks, automobiles and the like which a convicted person may have employed to carry on his traffic in lewd material.

I believe such legislation will so hamper these dealers in filth that they will cease their crimes against our youth and their undermining of the moral structure of our American society.

Mr. HENDRICKSON subsequently said: Mr. President, earlier in the day the distinguished Senator from North Dakota [Mr. LANGER], at my request, obtained permission to have printed in the RECORD a statement which I had prepared, dealing with a bill which, on behalf of myself, the Senator from North Dakota [Mr. LANGER], and the Senator from South Dakota [Mr. CASE], I now introduce. I ask that the bill be printed in full at the point where my remarks were printed in the RECORD this morning.

There being no objection, the bill (S. 3202) to amend the law relating to indecent publications in the District of Columbia, introduced by Mr. HENDRICKSON (for himself, Mr. LANGER, and Mr. CASE), was received, read twice by its title, referred to the Committee on the District of Columbia, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) section 872 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, as amended (D. C. Code, sec. 22–2001), is amended (1) by inserting "(a)" immediately after "SEC. 872.", and (2) by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "unless the violation occurs after he has been convicted of selling, offering to sell, or advertising for sale, any article in violation of this section, in which case he shall be fined $1,000, and imprisoned for 1 year."

(b) Such section is further amended by adding at the end thereof a new subsection as follows:

"(b) Any vehicle, fixture, equipment, stock, or other thing of value (including without limitation vehicles, equipment, fixtures, or things adaptable to a lawful use) used or to be used in connection with (1) the sale, distribution, manufacture, or showing of any article or material, or (2) the advertising or staging of any exhibition, the sale or advertising of which is prohibited by subsection (a) of this section, shall be subject to seizure by any member of the Metropolitan Police force or the United States Park Police, or the United States marshal, or any deputy marshal, for the District of Columbia, and shall, unless good cause is shown to the contrary by the owner, be forfeited to the District of Columbia, by order of any court having jurisdiction, for disposition by public auction or as otherwise provided by law. Bona fide liens against property so forfeited shall, on good cause shown by the lienor, be transferred from the property to the proceeds of the sale of the property. Forfeit moneys and other proceeds realized from the enforcement of this section shall be deposited in the Treasury of the United States to the credit of the District of Columbia."

PUBLICATION OF FOREIGN RELATIONS VOLUMES

Mr. WILEY. Mr. President, I have been extremely interested in the publication of the vital series entitled "Foreign Relations" by the United States State Department.

Over a period of months I had contacted the Department with the aim of urging the acceleration of the publication of the series and the elimination of the backlog.

I was informed by the Department that, as a result of my own interest as well as that of the Senate Appropriations Committee, the Department had set up a 4-year plan for speeding up publication so as to bring the volumes up to within about 10 years of currency, which is certainly a desirable objective, to say the least.

It was with surprise and regret, therefore, that I learned that recently a House Appropriations subcommittee had actually recommended the abolition of the entire Foreign Relations publications program.

Mr. President, I think that is being pennywise and pound foolish.

I can deeply appreciate the desire of my colleagues to effect economy wherever possible.

But I point out that the Foreign Relations volumes represent the official diplomatic history of the United States.

They comprise a project which has been the responsibility of the Department since 1861. They are an invaluable research tool for Members of Congress, foreign service officers, historians, teachers, etc.

I earnestly hope, therefore, that my House and Senate colleagues will provide not only for the continued publication of the series but for acceleration thereof.

The American people are interested not only in where our foreign policy is going but in how it got to its present position.

They are entitled to the facts. The State Department is desirous of giving our people the facts. Our people cannot fully understand the problems of the present and future until they find how we met the problems of the past. I trust that Congress will act accordingly on this appropriations item.

THE BANKRUPTCY MYTH AND NATIONAL SECURITY

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that there may be printed in the RECORD at this point an article which appeared in the Washington Post and Times-Herald on March 26, 1954, entitled "The Bankruptcy Myth and National Security." This article was prepared by Seymour E. Harris, professor of economics, Harvard University.

I also ask unanimous consent, Mr. President, that following this article there may be inserted in the RECORD the introductory remarks to a speech which I made in the Senate on March 15, 1954. These remarks of mine quote the text of the report of the Joint Committee on the Economic Report in substantiation of the point made by Professor Harris that the reduction in national defense expenditures made by the new administration is not necessary or desirable, from an economic standpoint.

There being no objection, the article and introductory remarks were ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times-Herald of March 26, 1954]

THE BANKRUPTCY MYTH AND NATIONAL SECURITY

In his reply to Governor Stevenson, Vice President NIXON said of the Democrats that "they know that this (the Democratic military program) would force us into bankruptcy, that we would destroy our freedom in attempting to defend it." (Is this not a reckless charge?) In his budget address, the President said, "We cannot afford to build military strength by sacrificing economic strength." Secretary Humphrey and key Republican Congressmen have made similar statements. It is also evident from testimony of General Bradley and General Ridgway and statements by former Secretary of the Air Force Thomas Finletter and the military strategist, Mr. Hanson Baldwin, that nonmilitary considerations played an excessive part in the determination of military policy. In his campaign Governor Stevenson wisely stressed the priority of security over finance.

It is about time that we repudiated this foolish talk about bankruptcy. (This is aside from the surprising statement made by the Vice President that a financial bankruptcy means a loss of freedom in the same sense as a Communist victory.)

I do not know what the Republican leaders mean by bankruptcy, but they certainly cannot mean inability to meet dollar obligations. Every sovereign power can meet the obligations expressed in its currency.

What are the signs of bankruptcy? Are they the rise since 1933 of gross output of 190 percent, of per capita disposable income (after taxes of 99 percent, of personal consumption expenditures of 227 percent, of gross private investment of 1,386 percent? (All of these are corrected for price changes and hence represent genuine gains.)

Is it a sign of bankruptcy that since the depression thirties the 20 percent of households with the lowest incomes increased their real incomes before taxation (dollars

of stable purchasing power) by 45 percent, and the next 4 quartiles (from high to low incomes) by 41, 29, 22, and 14 percent, respectively? (Similar results are found after taxes.) Note that this improvement in distribution which strengthens our system was consistent with a great rise in output, consumption and investment.

Is it the heavy tax load that spells bankruptcy for the present administration? On this score note that taxes accounted for 26 percent of our gross product as compared with 33½, 34, and 31½ percent for the United Kingdom, Germany, and France. Yet per capita income in the United States was almost 3 times that of the United Kingdom and France and 4 times that of Germany. Surely the tax burden, however annoying, considered relative to per capita income is not bankrupting us. The vast gains of income belie that position.

Is the national debt the troublesome item? Is the administration aware that the national debt, the heritage of our history over the years, as a percentage of our gross national income for but 1 year, declined from 130 percent of our income in 1945 to 75 percent in 1953, or a drop of more than 40 percent? Is it aware that the rise in the cost of financing this debt has been but 2 percent of the rise of income in the last 20 years ($6 billion against $309 billion)? This growth of debt probably raised income many times the rise in the cost of financing the debt. Incidentally, I am surpirsed that the President's speech writers inserted in his tax speech the statement that an increase of deficits passes the burden on to future generations.

Is inflation the measure of impending bankruptcy? In the campaign, the Republicans made much of the 50-cent dollar. They failed, however, to note that there were four times as many dollars around and hence that all dollars were worth twice as much as before the war.

They also failed to note that the inflation was a byproduct of a great and medium-sized war; that accompanying the inflation of the last 20 years had been a rise of output of almost 2 times; that the moderation of inflation as measured by the relation of price rise to percentage of income going to war was unprecendented (the inflation on this basis was but one-fourteenth that to be expected from the experience during the Civil War and one-third that to be expected from the experience of World War I).

From all of this I conclude that the administration is endangering our security by overstressing financial considerations. They are reducing our military strength and depending too much on the atomic bomb because they believe we face financial disaster if Truman military policies are continued.

I stress the point that the Government cut military outlays by $4 billion when, according to all forecasts, gross national product in 1954 is likely to fall by 5 percent or more (or at least $17 billion) because of inadequate spending, and besides failing to gain, as it normally does, by $11 billion. Hence, here, because of insufficient spending, is a loss of $28 billion. An increased outlay of ten to fifteen billion dollars for security would save us from unnecessary wastage of resources and add (through secondary effects) ten to fifteen billion dollars of income to our private economy.

The point I make here is not that we should spend for military purposes in order to keep our economy healthy. There are much more productive ways of spending money. What I am stressing is that we should not, in weighing financial considerations excessively, endanger our defense. Furthermore, reduced spending would not bolster our economy now—rather the reverse—for our economy now requires more, not less, spending.

Finally, I note that the National Planning Association showed ("Can We Afford Additional Programs for National Security," October, 1953) that an "additional program of $10 billion by 1956 (above the administration's projected outlays) would not interfere with further business expansion and would not prevent a continuing increase in the standard of living." (Even tax reduction would be had.) A rise of $20 billion of security outlays by 1956 above the administration's proposed outlays "would permit a continuing increase in investment and at least a moderate increase in the standard of living." (Tax rates unchanged.) A rise of outlays by $33 billion "would represent a considerable rise from the peak level of the present program, not only in absolute amount but also in the ratio to total production. It would leave enough resources only for small increases in investments and standards of living. It would require an increase in taxes. * * *"

In summary, the administration is being misled by unknowledgeable advisers. We have too many Secretaries of the Treasury and too few Secretaries of Defense. These false prophets of bankruptcy are "the prophets of gloom" because they underestimate our economic strength, and by weakening our military position they increase the probability of world war III and hence of bankruptcy.

SEYMOUR E. HARRIS,
Professor of Economics, Harvard University.
CAMBRIDGE, MASS.

Mr. President, before undertaking a discussion of taxes and our national economy, I should like to call attention to the following excerpt from pages 5 and 6 of the report of the Joint Committee on the Economic Report:

"ECONOMIC CAPACITY FOR ADEQUATE DEFENSE PROGRAM

"The (President's) Economic Report states that 'Our approach to a position of military preparedness now makes it possible to turn the productive potentialities of the economy increasingly to peaceful purposes.'

"We welcome this opportunity to reduce military expenditures and do not view with pessimism the adjustments involved in making this transition.

"It is beyond the jurisdiction of this committee to pass judgment upon the adequacy of our military preparedness. It is not our function to determine how many air wings, ships, or divisions are necessary.

"However, we do feel it is within our jurisdiction to state that, in our opinion, the economy is capable of meeting safely additional military expenditures if such expenditures are necessary for our military security.

"This is not a recommendation for more spending for national-security purposes. It is rather an assertion that reductions in these programs, which have been made and which are projected for the future, should be justified upon their merits, and not upon the premise that they are made necessary for economic reasons."

To my mind, this section calls for a new look at the New Look, a reexamination of our national-defense program.

We have heard a great deal about the New Look. Much of this discussion has been in terms of assurances from the administration that we are getting "more bang for a buck."

Only the most naive could believe that the reductions in military expenditures, made and to be made, have strengthened our defense. I do not believe anyone seriously questions the fact that substantial reductions were made out of a belief that the economy could not stand greater expenditures.

I do not quarrel with this approach. Obviously, our national security requires that economic as well as military considerations must be taken into account.

What I do quarrel with is the administration's estimate of the strength of our economy.

I believe the administration has seriously underestimated the capabilities of our economy and its fundamental strength. They believed it had to be shaken down; that it was operating at a pace which could not be maintained. They did not appreciate that during the 2 years immediately preceding January 1953 the economy of the United States was—

1. Conducting a great military operation in Korea, halfway around the world;

2. Accumulating a great store of military equipment against the possibility of world war III;

3. Building a broad industrial base for fighting such a war and maintaining the lead in scientific and engineering developments; and

4. Doing all that, we still were maintaining a standard of living for the masses of our people higher than that of any previous time or any other country.

This was the situation as accurately described to the Joint Economic Committee by a sound and conservative economist.

Failing to appreciate the strength of our economy, the administration has proceeded to reduce its preparedness goals to fit its own image of the country's capabilities. This image was too small.

So I suggest that our military planners and the Appropriations Committees and Armed Services Committees of the Congress should reappraise our preparedness programs in the light of this admonition of the Joint Economic Committee's report:

"Reductions in these programs, which have been made and which are projected for the future, should be justified upon their own merits, and not upon the premise that they are made necessary for economic reasons."

I have made these few remarks upon our military program as a prelude to a discussion of taxes and our national economy. I have done so from the belief that our first duty—before considering tax reduction—is to reappraise our military posture. Only as we can satisfy ourselves that our military program is adequate can we afford to consider significant tax reduction.

CALL OF THE ROLL

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. COOPER. Mr. President, I move that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BARRETT in the chair). Without objection, it is so ordered.

ANSWER TO ALAN BARTH'S CRITICISM OF THE FBI

Mr. GOLDWATER. Mr. President, in March of this year there appeared in Harper's magazine an article entitled "How Good Is an FBI Report?" written by Mr. Alan Barth. If I were asked to select one agency of the Federal Government in which the American people have implicit faith, I would choose the FBI. This agency has always conducted itself in a proper manner and has never been brought into the white spotlight of public criticism until the present time. Because I feel a great pride in this institution, and because I feel that I share this pride with all Americans, I cannot

let go unanswered this article to which I referred, which was written by an eminent writer for the Washington Post, Mr. Alan Barth. If Mr. Barth had followed a logical path to his conclusions, and if he had substantiated his remarks by way of higher authority, I feel he would have believed his conclusions unjustified and would have withheld publication of his story.

The FBI has been the chief target of attack by Communists, their stooges, and apologists for years. A new effort is now apparent. The Daily Worker, Communist leaders, and apologists have been seeking a way to impede and thwart the FBI in its job of protecting our internal security. Frequently, they overplay their hands and expose themselves as the despicable swindlers that they are. One of the most notorious was the insidious Red master of stealth, Max Lowenthal. Long a friend of persons in high office, he was able to accomplish deeds of staggering proportions which benefited the Red masters of the Kremlin.

The author, Alan Barth, long a top-ranking editorial writer for the Washington Post, has come forward with an alibi as to why Communists were not weeded out of the Government. Barth's explanation in his article, How Good Is an FBI Report?, is so simple that it is rather ridiculous and it shows Barth to be either unaware of the truth or unwilling to develop it.

As written, it appears that Barth's purpose is to raise the bugaboo of secret police in an effort to undermine public respect for constituted authority. Like Max Lowenthal, Barth shows himself to be a master of adroit misrepresentation.

He would have his readers believe he is an expert in FBI procedure and security practices when he seeks to place the blame on the FBI for the failure to get Communists out of Government. That is why I feel it necessary to call attention to this new smear campaign against the FBI and expose it for what it appears to be—a deliberate misrepresentation of truth. In doing so, I defend the right of Alan Barth to express his opinions, but I feel it necessary to call attention to the fact that he has no right to misstate the truth.

In the first place, what are the qualifications of the author to sit in judgment on the contents of FBI reports and by virtue of what authority is he able to give the alibi to Government officials who failed to act when warned?

He has been an editorial writer for the Washington Post since 1943. For brief periods, he worked in the office of the Secretary of the Treasury and in the Office of War Information.

The June 1946 issue of Reader's Scope contains an article by Barth against the House Committee on Un-American Activities. This publication, it will be recalled, was published by Leverett Gleason, a director of the People's Radio Foundation and the Joint Anti-Fascist Refugee Committee, both well-known Communist fronts.

For years, Barth has denounced loyalty programs, and his heart has bled for Communists, their stooges, spies, and persons whose acts were akin to treason.

The only conclusion I can reach is that the purpose of his Harper's article is intended as a defense for keeping Harry Dexter White, Harold Glasser, Duncan Lee, Sol Adler, Nathan Gregory Silvermaster, Alger Hiss, Frank Coe, Lauchlin Currie, and others of a similar ilk in the Government. The premise of this defense is the novel one that information in FBI reports is culled sometimes from knaves and nitwits, sometimes from bigots, sometimes from persons whose devotion to the United States ought to be suspect, sometimes from men or women with axes to grind or hatchets to bury in the skulls of employees whom they dislike. He here makes a fraudulent representation, because there is not a Member of Congress who has not time and again furnished information to FBI agents which is recorded in their reports, unless Mr. Barth, who has not been known to evidence much respect for the people's elected representatives, lists us in the category of "knaves and nitwits." Furthermore, the FBI reports have been scrutinized by experts in Government as well as by the courts and have not been found wanting.

By his own admission, he states that FBI reports are confidential and that only in rare instances have FBI reports been made available, but then he proceeds, as though with some omnipotent power, to rule on all FBI reports despite the fact that very few have ever become available. In fact he refers to only four reports in his entire article. What kind of thorough study is this? How is he able to say that FBI reports as a whole are deficient? He cannot honestly make this statement, because he frankly does not know.

At one point, he quotes a former attorney general as saying FBI reports include leads and suspicions and sometimes statements of malicious persons as a reason for not making reports public. But he omits the very next sentence of former Attorney General Jackson's statement which reads as follows:

> Even though later and more complete reports exonerate the individuals, the use of particular or selected reports might constitute the grossest injustice, and we all know that a correction never catches up with an accusation. (Opinion of Attorney General, Apr. 30, 1941.)

He furthermore does not quote the major reason for keeping FBI files confidential, namely, that their disclosure would prejudice the national defense and would lend aid and comfort to the very subversive elements against which we must protect our country.

He illustrates his incompetence to pass on security matters when he questions the pertinency of information put into the record of the Senate Internal Security Subcommittee on Solomon Adler, by asking "What inference is a reader of this report supposed to draw from this information?" after setting forth Adler's connections with high Government officials in China in 1946–47 and the fact that Adler was critical of the Chinese Nationalists.

Mr. Barth literally pleads Adler's case, insisting that, since Adler remained in the Government until 1950, since he was cleared by the same Civil Service Loyalty Review Board which cleared Remington, and since he was not indicted, he must be lily pure. Naturally, Adler stayed in the Government so long as he could be protected by such stalwarts as Harry Dexter White. The FBI could have submitted a dozen reports, and it would have made little difference, for example, if White was sitting in judgment, because his sponsor was White.

Again we find evidence of disregard for the facts. Since he questioned one of the proceedings of the Senate Internal Security Subcommittee, he must have been familiar with what transpired at that session. Prior to receiving the information he questions, testimony of Whittaker Chambers was presented disclosing that J. Peters, the Soviet agent, had told him that Adler was sending a weekly report to the American Communist Party; and Elizabeth Bentley had testified that Adler was a member of the Silvermaster group, paid his dues through Silvermaster, submitted reports to the Soviets through Harry Dexter White, and made Communist contacts in China. It was further developed at the same hearing that Adler had left the country after leaving his job in the Treasury Department in May, 1950. It was pointed out in the same report that even the American Embassy in London had been instructed to pick up Adler's passport. The Internal Security Subcommittee tried to get Adler's testimony, but obviously could not after he had left the country. The fact that Adler had been reported to be a Communist certainly makes most pertinent the information that he was a participant in high level conferences in China and kept on the Government's payroll.

As a further illustration of the fraud perpetrated on the reading public by the author in his Harper's magazine article, he makes reference to the Remington case. Here he politely called J. Edgar Hoover a liar because of Mr. Hoover's testimony under oath before the Senate Subcommittee on Internal Security that the information furnished by Elizabeth Bentley, which was susceptible to check, had proven to be correct.

This, he says, is not so as far as "her testimony has been evaluated by juries" is concerned. With a display of a deft use of words, always characteristic of one gifted in dialectics, Mr. Barth relates that Miss Bentley made three charges against Remington: that he was a member of the Communist Party, that he paid party dues to her, and that he gave her material which she was not authorized to receive. He then claims the Government dropped the first count, there was a hung jury on the second count, and a guilty verdict on the third count.

Mr. Barth is entitled to advance any opinion or conclusion he desires, but when he takes to the pages of Harper's, he has a responsibility to be accurate in setting forth his facts. This he has not done. A court record on a conviction is a public record which Mr. Barth could check. If he did check, then his

misrepresentations are all the more reprehensible. The record, contrary to Mr. Barth, reveals the following:

First: Remington was indicted first on June 8, 1950, on the count; namely, his denial of Communist Party membership. On February 7, 1951, he was convicted. Miss Bentley's testimony was believed by the jury. The fact that this conviction was reversed by the circuit court on the basis of error in the judge's charge to the jury in no way detracts from the veracity of Miss Bentley. Furthermore, this count is still outstanding.

Second: Remington was again indicted on October 25, 1951, on 5 counts, not 3 as Mr. Barth states, unless, of course, he was deliberately confusing the 2 indictments.

The five counts charged that Remington perjured himself—

First: When he denied that he had ever, to his knowledge, attended Communist Party meetings.

Second: When he denied that he had ever given Elizabeth Bentley or anyone else any classified information or any information to which they were not entitled for the purpose of having such information sent to Russia.

Third: When he denied that he had paid Communist Party dues.

Fourth: When he denied that he had ever asked anyone to join the Communist Party.

Fifth: When he denied that he had knowledge of the existence of the Young Communist League at Dartmouth College until his preparation for his defense in connection with his 1950 indictment. Remington attended Dartmouth College between 1934 and 1939.

Following his second trial, the jury returned the following verdict:

Count 1: No decision, the jury could not agree. This count is still pending. Thus Mr. Barth is wrong when he said the Government dropped the first count. Miss Bentley's testimony corroborated by other witnesses stands unchallenged.

Count 2: Guilty. Mr. Barth is again wrong as he said there was a hung jury on this count.

Count 3: No decision, the jury could not agree. This count is pending.

Count 4: Not guilty. This in no way detracts from Miss Bentley's credibility.

Count 5: Guilty.

Naturally, Mr. Barth could not be expected to admit he deliberately reported on the outcome of the Remington case falsely but the least he can say is that it resulted through inadvertence, in which case his respect for truth can be judged by whether he apologizes to Mr. Hoover and asks Harper's magazine to correct his inaccuracies.

In his Harper's article, after observing that the FBI makes loyalty investigations, he then states:

> The questioning of accused employees in hearings under this program was based on information conveyed by the FBI confidential reports. Some exceedingly odd questions are asked. One Board member inquired, for instance, if an employee favored or opposed the segregation of blood in Red Cross blood banks.

Mr. Barth obviously means to infer that the FBI report contained some such information. But he should have refreshed his recollection. In his book The Loyalty of Free Men—page 116, Cardinal editions—he clearly states that the Board member who asked the question was raising questions not in the interrogative which is based on the FBI report. Thus, any question of segregation of blood banks did not arise with the FBI. Ironically, he does not even take the Post's own editorial page seriously, or he conveniently forgot the letter to the editor published in the Post on May 2, 1951, from Harry W. Blair, who asked the question for which he would blame the FBI. In this letter, Mr. Blair specifically credits the Metropolitan Police department with producing the letter which served as the basis for the question Mr. Barth deplores.

Mr. Barth, in an effort to cast doubt on FBI reports, quotes from the debates on the confirmation of a United States Ambassador to Russia, a statement by an alleged informant who possessed a sixth sense and, without knowing how this statement was used in the FBI's summary, he then proceeds in a clever manner to convey the impression that this might be typical of the contents of FBI reports.

At the time, I made inquiry as to the significance of this statement. An agency, not the FBI, had hired this man who had given the Ambassador's name as a reference. Later, he was discharged as a homosexual. The records of the other agency reflect that the informant had learned to separate the "queer" from the men. He claimed he could spot them and has never made a mistake because he had a sixth sense. Contrary to Mr. Barth, when one claims he can spot a sex pervert by his walk and never make a mistake, it is of greatest importance to know how. If it is by a sixth sense, this at least is a cue to the reliability of the informant and an aid to those who must evaluate the reports. If Mr. Barth were really interested in fair play, as he would have us believe, he would have lauded the above statement which he now ridicules, because it aided the officials in evaluating that report which was admitted as derogatory and gave it the credence it deserved.

Up to this point, he has merely been laying the foundation for his chief evidence, which consists of several reports which are a matter of public record in the Federal courts in the Coplon case. Anyone who desires to do so can get these reports, and Mr. Barth certainly had access to them.

Mr. Barth errs when he says Miss Coplon had such delectable tidbits of information, which he enumerates, on her person when she was arrested. She did not. She had data slips on which was information of a substantive nature. These data slips are on file in court, and a matter of public record, but Mr. Barth would not have been able to smear the FBI had he stuck to the truth. The so-called frivolous material which Barth makes light of was not among the data slips.

In all, there were 34 such data slips. At least it can be concluded they were of sufficient importance for a spy to copy and endeavor to sneak to the Soviets, as Judy Coplon had them with her when she was arrested. The reports quoted from by Barth were ordered produced by the Federal judge, since the data slips in Coplon's possession were made from these reports.

It seems that Mr. Barth is seeking to minimize Judith Coplon's damage to America, so he tries to discredit the FBI. The files he talks about were actually isolated reports of raw material. The file might contain scores of reports, and anyone who knows anything about security files knows that accusations are proven or disproven in subsequent reports.

Since he represents himself as an expert, his error in confusing files with reports and data slips would not ordinarily be charged to lack of knowledge. His article speaks for itself. Had he been really concerned and had he really wanted to present the truth—like any honest newsman—he would have sought out the facts.

Now, to analyze Barth's evidence:

First: Barth refers to "the statement of an unidentified informant that she had observed her neighbors 'moving around the house in a nude state' and that her 11-year-old boy said he saw one of these neighbors go out on the porch, undressed, to get the morning paper."

The actual report on file with the record in the Coplon case gives a full explanation. Contrary to Mr. Barth's statement, the informant's name and address appear in the report. He, not "she," as he said, went to the FBI because he was suspicious of his next-door neighbor. The neighbor worked at the State Department while his Russian-born wife worked at OSS. They had frequent gatherings at their home of high ranking Army and Navy officers. On occasions, great secrecy was maintained when once a month a foreign-appearing person called at the house. The informant very well could have been suspicious by the marked contrast in his neighbor's behavior, as, on other occasions when there was obviously no need for secrecy, the man and woman moved around the house in the nude and on one occasion the man went out to pick up the newspaper in the nude—defendants exhibit 113 A–6; transcript for June 10, 1949, morning session, pages 6051–6057. So what, Mr. Barth, does this prove, other than a meticulous effort of an FBI agent to report fully, information furnished him which goes into the raw file, by a man whose attention was directed to extreme secrecy on occasions while on others, in marked contrast, the inmates went around in the nude?

Second: Mr. Barth then seems to think FBI reports are of little value because "the files supplied the information that one of the assistants to the President of the United States had given some help in obtaining a passport for a trip to Mexico to a friend with whose wife, according to an informant, the Presidential aide had once been in love."

Mr. President, it is very distasteful for me to bring these matters to the floor of the Senate, and make the references I have had to make; but they are in reply to an article which appeared in one of the Nation's outstanding periodicals, Harper's magazine. Even though I ap-

proach this task with reluctance, my loyalty to the FBI and my desire to have the truth disclosed compel me to make reference to names and situations which I might otherwise not feel appropriate or proper.

The particular piece of information I was discussing was a lengthy report pertaining to Philip Levy, which clearly shows that his passport application was held up because of a possible involvement in a 1934 passport fraud concerning certain Communists, who have long records of involvement with Soviet espionage. The Presidential aid was David K. Niles, who wrote a letter to the State Department vouching for the Levys and pointing out he found it hard to believe that they would engage in un-American activities.

Obviously, it was important to find out what Niles' connection was with the Levys. Information was developed that Niles, in fact, was an old friend of the Levys and "fell in love" with Mrs. Levy prior to her marriage. Certainly, this old friendship was relevant to Niles' action, and I would think that Mr. Barth, if he truly were interested in fair play, would have commended the FBI rather than denounce it for supplying a motive for Niles' action. Were it not for this information, one reading a cold report would at once wonder if Niles was acting on behalf of persons who were suspect—defendant's exhibit 119; transcript for June 10, 1949, afternoon session, page 5504.

Third: Mr. Barth then questions a reference to Frederic March in a report, since he was neither an employee nor an applicant for a Government job. He, however, apparently does not question the propriety of the investigation of March, but merely the quality of the report.

Surely, the FBI must investigate allegations of Communist Party activity and affiliations. The information in this 8-page report, which was only one of several reports, is specific and pertinent to such an inquiry, although I hasten to add that it is my understanding that Mr. March, since the date of this report, has made his position clear and denies Communist Party membership or affiliation. The report, however, clearly shows there were other reports, and without all of them, neither Mr. Barth nor anyone else could give a full account of what happened. But, as could be expected, Mr. Barth elected to quote one of the most innocuous bits of information in the whole report—defendant's exhibit 106–A; transcript for June 8, 1948, pages 5235–5250. It is, indeed, regrettable that Mr. Barth should have injected Mr. March's name into the public forum at this late date and without making the full facts available in his Harper's magazine article.

In his article, he refers only to the reports in four cases. An examination shows that even in regard to these four cases, for which he must have searched long and hard, he has given an incomplete and distorted account. Is the FBI to be condemned on this basis alone? Certainly all officials of the Government were not blind to FBI reports—as is evidenced by the fact that, on the basis of FBI reports, literally hundreds of unfit persons were ousted from Government jobs.

Surely Mr. Barth would not say that the FBI's record in World War II was the fault of bad reports, when, throughout the war, enemy espionage was held in check and the usual wartime sabotage did not occur.

Mr. Barth puts great stock in his argument by observing that Maj. Gen. William Donovan retained full confidence in an OSS officer, Duncan Lee, accused of espionage. But how can Barth honestly say Donovan retained Lee in the OSS with full confidence, after the FBI report? It is a matter of record that the FBI report went to the White House on November 8, 1945, while General Donovan left the OSS on October 1, 1945, a full month before the FBI even submitted the report.

At the very outset, Barth directed a heavy blow toward the FBI by quoting from a letter from the Under Secretary of War, Judge Robert P. Patterson, attesting to Silvermaster's suitability for Government service. What Mr. Barth did not say was that the letter was dated July 3, 1942, and Judge Patterson makes no reference to an FBI report. His letter did not clear Silvermaster on an FBI report; it was an Army report. Since Mr. Barth holds himself out as an expert on security, he must have seen part 3 of the Senate Internal Security Subcommittee report, dated April 16, 1953, on Interlocking Subversion in Government Departments. On page 122 appears Silvermaster's memorandum dated June 9, 1942, wherein he specifically answers a document signed by Col. J. T. Bissell. Strangely, Mr. Barth is silent on Silvermaster's shameful performance in invoking the fifth amendment, the details of which are set forth in the April 16, 1953, report of the Internal Security Subcommittee, when, for example, Silvermaster—page 130—declined to answer whether he knew or had ever had conversation with Max Lowenthal.

Mr. President, after attempting to discredit FBI reports, Mr. Barth then turns his guns on the grand jury, and would make the reader believe he had clinched his point by pointing out that the grand jury failed to indict Harry Dexter White. He chides the Attorney General for stating "much of this evidence against him was received by wire tap," without making public the content of the intercepted conversations. Mr. Barth knows the answer, but it would not help his case to state that Federal law prohibits the divulgence of intercepted messages. Surely he is not so naive as to think he could bait the Attorney General into that trap. Likewise, Mr. Barth knows that subsequent to the appearance of White before the grand jury, the famed "pumpkin papers" became available, and they included handwritten messages from Harry Dexter White. But by that time, White's death had cheated the grand jury out of an indictment for perjury, if not for espionage.

Mr. Barth then moves to his favorite theme—the police state—which he defines in terms which do not exist. His deft use of words is reflected in his horror, not that the Truman administration was indifferent to Soviet espionage, but that the American public has become indifferent to a dangerous extension of police power.

What Mr. Barth seems to want is an abolition of all security measures and a cessation of exposure of Communist activities.

The truth of this matter is that high Government officials took no action on FBI reports because they did not see fit to, and not because of the contents of the reports. It is time to call a halt to alibis, and it is time to close the ranks, to the end that the American way of life can be preserved for Americans.

Mr. President, there is great danger in writing or saying anything not of a substantive nature about the FBI. Today the FBI stands as one of the great remaining bulwarks in this country against communism. In submitting these observations, I have merely tried to make the record crystal clear, because a magazine of the caliber of Harper's has chosen to publish an article containing half-truths, and it displays either a reluctance to use the whole truth, or a desire not to do so.

At the beginning of the last paragraph of the article, Mr. President, the author asks, "How good is an FBI report?" Because of the loose manner in which the name of the FBI is used in the article and because of the clear indication that the author either was not aware of the truth or was unwilling to develop it, I think the question which really should be asked is, How good is a story written by this author? In view of the article's glaring defects and departure from the facts, it is to be hoped that in the preparation of editorials for the Washington Post, this author will follow more closely the newsman's historic regard for the truth and nothing but the truth, including the full evidence available to him.

Mr. President, that concludes my remarks, and I now yield the floor.

STATEHOOD FOR HAWAII

The Senate resumed the consideration of the bill (S. 49) to enable the people of Hawaii to form a constitution and State government and to be admitted into the Union on an equal footing with the Original States.

Mr. FERGUSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. PAYNE in the chair). The clerk will call the roll.

The Assistant Parliamentarian proceeded to call the roll.

Mr. CARLSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUNT. Mr. President, after hours, days, and months of debate, it may well be questioned if any new facts can be developed or if there is any information not heretofore made available to the Senate with reference to statehood for Hawaii.

However, as I have listened to the various speeches and as I have read the RECORD from day to day, I fail to find

any reference as to the readiness of the Territory of Hawaii for statehood based on the record made by the territorial legislature since Hawaii became an incorporated Territory of the United States.

Most of the Members of the United States Senate—a legislative body—have also served in their various State legislatures and have a very thorough understanding of the tremendous importance of the legislative branch not only of their National Government but of the States and Territories. Therefore, Mr. President, it seems pertinent that we should examine into the record, the character, the accomplishments of the legislative branch of the Hawaiian Territorial government in arriving at a decision pro or con on the question of statehood.

Under the provisions of the Northwest Ordinance, which has determined the form and structure of territorial governments, the legislative branch of Hawaii is almost identical with the legislative branch of the respective State governments. In each instance, the members are elected by the people, and procedures follow the traditional pattern of the American legislative system.

If the Legislature of the Territory of Hawaii has functioned effectively, if it has promoted the well-being of the people of the Territory and has cooperated with Federal authorities in serving the best interests of the Nation, it follows beyond any reasonable doubt that the legislative branch of the new State government would serve the State and Nation well.

The Hawaiian Legislature was established 54 years ago by an act of Congress which made Hawaii an incorporated Territory. It has held 27 regular biennial sessions and a number of special sessions. Its membership of 15 senators, elected for 4-year terms, and 30 representatives, elected for 2-year terms, has functioned on the same basis as the Territorial legislature of each of the 29 States heretofore admitted.

The most significant fact about the Legislature of Hawaii is that a higher percentage of the registered voters have actually participated in the election of members than has been the case in any of the other Territories. I think it is a significant fact that throughout the years, on the average, 91 percent of the eligible voters of Hawaii have gone to the polls and cast their ballots. I think that contrasts most favorably with the fact that in the United States the average percentage throughout all the years, for all the States, is approximately only 50.

The Legislature of Hawaii has operated under the same limitations as other Territorial legislatures. The organic act adopted in 1900 provided that the Congress might veto any act that was looked upon as being unwise or detrimental to the community or to the Nation. It is a matter of record that during 54 years that Hawaii has been a Territory, Congress has never exercised this power.

The laws enacted have contributed to the social, political, and economic growth of the Territory. It is significant that all during the period leading up to World War II and during the trying years of that war the Legislature of Hawaii cooperated with the armed services and with other agencies of the Nation in carrying out defense plans and in the actual prosecution of the war. It is because of this prompt cooperation that a considerable number of the military leaders of the Pacific area during World War II are on record as favoring statehood for Hawaii.

I read from an article published in the Honolulu Advertiser of September 3, 1945:

> ARMY HEADQUARTERS, MIDDLE PACIFIC, FORT SHAFTER, T. H.—Lt. Gen. Robert C. Richardson, Jr., commanding Army forces in the middle Pacific, today thanked the people of the Territory of Hawaii for their part in the war, in the following statement:
>
> "This is an appropriate time to express admiration of, and gratitude for, the manner in which the people of the Territory of Hawaii have supported the Army during the war.
>
> "Military necessity required the imposition on the Territory of restrictions, such as the curfew and censorship of civilian communications, that the people of the mainland were not called upon to undergo. These restrictions, as well as the general civilian hardships of war, were accepted in a splendid spirit of cooperation.
>
> "For many months Hawaii was America's last outpost in the Pacific, its people under constant threat of attack as fierce as the onslaught which opened the war on December 7, 1941. Yet the people never faltered. Patiently, courageously, they went about their tasks, supporting the Armed Forces by every means in their power—doing war-production work, buying war bonds, donating blood, providing comforts for those in service.
>
> "Even more, they gave their sons and daughters to the services, in which enviable records were established. In many homes today the joy that peace has come is saddened by the memory that a son or brother will not return, because he paid the full price of freedom on some Pacific island or European hilltop.
>
> "I am therefore very deeply grateful to the people of Hawaii for their unfailing support of the Army and of me as their commander in the discharge of my responsibilities. It is both a duty and a pleasure to make public acknowledgment of the gratitude which I feel."

I should like to read, also, the statement made by Maj. Gen. Charles D. Herron:

> I was in command in Hawaii from 1937 to 1941, shortly before Pearl Harbor, when I was retired for age. * * * The people of Hawaii are not only good people but they have long since shown themselves to be wise and fully worthy of full citizenship. It should not be possible for anyone to campaign in the halls of the Interior Department and to be appointed their governor.

In March 1947 the then Secretary of the Interior, Mr. Krug, testified, as follows:

> General MacArthur is striving diligently and, I think, intelligently, to establish democracy in Japan and in Okinawa. He told me that the establishment and expansion of our democracy and our system of government to the areas that are held by the United States would aid him greatly to that end; that it would be a definite action, putting American democratic principles into effect; and he was very strong in his views as to statehood for Hawaii. * * * I talked to, I think, every military leader in the Pacific, and I heard not one single word that our military security would be impaired by Hawaiian statehood.

Fleet Adm. Chester W. Nimitz testified:

> I have given close study to the islands from a military and naval aspect. I perceive no objection from a military or naval standpoint to the Hawaiian Islands achieving statehood. * * * I had an opportunity to observe the people of the Hawaiian Islands, and I have a great admiration and appreciation of the complete and wholehearted cooperation they gave to the war effort. * * * Hawaii occupies a most important geographical position in the Pacific. Whether it is a Territory or a State, it would still be our main base in the Pacific.

Former Chief of Staff, Gen. J. Lawton Collins, has said:

> The splendid part played by Hawaii in the Korean war is entirely in keeping with the distinguished record it established in World War II.

The splendid part played by Hawaii in the Korean War is entirely in keeping with the distinguished record it established in World War II.

In peace and in war, Hawaii's legislature demonstrated its capacity to govern wisely, effectively, and efficiently.

As an indication of this capacity, I wish to review a limited number of fields in which the legislative program of Hawaii has been especially effective and sound.

First, I wish to speak about its support of education.

Hawaii's public-school system was established in 1840 under the leadership of teachers from New England. The legislative branch of government first under the constitutional monarchy, then under the Republic of Hawaii and finally under the Territory has given constructive leadership and liberal financial support to the school program. As a result the school system is recognized as being one of the soundest and most progressive in the entire world.

As a result of legislation the control of schools in Hawaii is more highly centralized than in any State in the Union. This has resulted in a higher degree of quality of educational opportunity for all the children than is generally found. For instance, there is one salary schedule for all teachers regardless of whether they work in city schools or in rural schools; education requirements are the same for teachers in all localities; the same educational supply and equipment items are provided for each school; school systems have been consolidated with the result that practically all small schools have been eliminated, thus giving the better educational advantages that are offered by larger schools.

Of even greater significance is the fact that the legislative branch has provided adequate financial support. For example, a report of the National Education Association for the school year 1952–53 shows that the average annual salary for the instructional staff in the United States was $3,530. Hawaii's average annual salary for that school year was $3,669, which means that the average school teacher in Hawaii received $139 more in salary each year than did a teacher in the United States. Only 14 States paid higher salaries and 34 paid lower salaries. I regret to say that my State is among those that pay lower salaries than are paid in Hawaii.

Liberal support has also been given to other phases of the educational program, such as educational supplies and equipment and to the public school building program, although in Hawaii as in most of the mainland States there is an urgent need for additional school buildings.

The legislature has also authorized sabbatical leave for teachers with part pay, a single salary schedule for teachers which recognizes that the work of teachers in the lower grades is just as valuable as the contribution of teachers on the secondary school level, and a retirement system that is rated as among the best in the Nation.

Mr. President, regardless of what may be said of the economic control being exercised over Hawaii by the so-called Big Five, I can definitely state that the Big Five corporations are very generous in their taxation policy toward public schools.

Liberal provisions have also been made for the University of Hawaii, a land-grant institution with an enrollment of approximately 6,000 students.

Liberal support has also been provided for an adult education program and for a system of free libraries established throughout the Territory.

Second, let us consider the situation with reference to public health.

The Territory has an enviable health record. The death rate is substantially below the national average. The infant mortality is one of the lowest in the Nation. A general hospital support program is regularly maintained. The people of the Territory are proud of the free hospitalization which it provides for all patients suffering from tuberculosis. Free chest X-rays are provided.

The Hawaiian Legislature has always been forward looking in providing funds for this purpose.

For almost a hundred years the Territory has had an internationally recognized program for the care of the victims of Hansen's disease—leprosy—and its treatment. Until last year the cost of this program had been carried entirely by legislative appropriations. The United States Public Health Service now shares in the cost.

Third, labor relations: Hawaii early showed its concern with relation to the welfare of the workingman. It was one of the first to adopt a workman's compensation act. Few sessions have passed where the benefits have not been reviewed and increased to the point where these benefits equal or exceed those of almost every State. Unemployment compensation is provided. A wage-and-hour law regulates the wages and hours of workers including children. The department of labor has been established to enforce certain laws and to protect the workingman. A little Wagner Act guaranties the right of labor to organize. It is one of the few laws of the Nation to guarantee this right to agricultural labor.

Fourth. Public service: Legislation with respect to public employees is modern. Civil Service and classification systems have been established by law. A contributory retirement system on a sound actuarial basis has been in effect for nearly 30 years.

Fifth. General welfare: The legislature has been ready to repel any attack on the peace, happiness, and welfare of its people. It has been alert to the dangers of subversives. A loyalty oath program has been established and covers all government employees. Refusal to testify before a public board, agency, or commission on the ground of privilege against self-incrimination automatically removes the employee and disqualifies him from holding public office or public employment.

A loyalty board as well as a subversive activities commission was created. The legislature has not hesitated to request by resolution the investigation of communism and subversive activities in Hawaii by the Congress. In 1949 it requested the House Committee on Un-American Activities to conduct an investigation in Hawaii. The investigation was made in 1950. A formal report to Congress was made in 1951. This report in part states:

> The evidence shows that as of 1951 the people of Hawaii have successfully cast communistic influences out of all phases of their political, social, cultural, and educational activities.

The important consideration here is that the study was made at the request of the legislature.

The proposed constitution for Hawaii reflects the concern of the elected representatives of the people in relation to communism. Article XIV, section 3, provides:

> No person who advocates, or who aids or belongs to any party, organization, or association which advocates the overthrow by force or violence of the government of this State or of the United States shall be qualified to hold any public office or employment.

In 1941 a Hawaii Defense Act, since then further perfected and refined, grants emergency powers to the Governor during M-day conditions.

On convening in 1949, because of the interruptions to commerce from the long continued waterfront strike, the legislature promptly evolved legislation enabling the Territory to seize and conduct waterfront operations for the protection of the health and welfare of the people. The problem was squarely and promptly met, although there were no extensive precedents or guides in legislation of other jurisdictions.

Progressive legislation in other fields is to be found in the statutes of the Territory. Throughout there is evidenced a real desire to promote the health, welfare, and happiness of all of the people and a desire to consider and adopt desirable legislation that Hawaii may be a truly American community.

On the basis of the record there is ample evidence that when Hawaii becomes a State the legislative branch of its government will serve the community and the Nation well.

Mr. KEFAUVER. Mr. President, will the Senator from Wyoming yield for a question?

Mr. HUNT. I shall be glad to yield to the Senator from Tennessee.

Mr. KEFAUVER. First, Mr. President, I should like to compliment the distinguished Senator from Wyoming on his very excellent analysis of the governmental and economic progress made in the Territory of Hawaii. I think the Senator has presented in rather brief form one of the best speeches in favor of long-deserved statehood for Hawaii I have ever heard. The Senator is a member of the Armed Services Committee of the Senate, and, as such, I know, has long been interested in the great strategic and military value of Hawaii to the United States, and, as he has indicated in his speech, he is conversant with the excellent record made by the citizens of Hawaii and the fine part they played in defense of the country in the last World War.

Does not the Senator think that, from the military viewpoint, looking at the military security of the United States, there are many advantages to be gained by this Nation from granting statehood to Hawaii?

Mr. HUNT. I thank the Senator from Tennessee for his kindly remarks with reference to the paper which I have just read, and I would say that, looking upon the question from a personal standpoint, if I were simply a citizen of a Territory I do not believe I would have, perhaps, the great love of country, the patriotism, the great desire to fight for the Nation, that I would have if I were the citizen of a State in the sisterhood of States.

Mr. KEFAUVER. Is it not true that, from the standpoint of military installations and the strategic position of Hawaii in connection with the defense of the Nation, could those essential factors be better recognized if Hawaii were granted full representation as a State, with Members in the Senate and the House of Representatives?

Mr. HUNT. I think that statement is very factual. The distinguished Senator, who serves with me on the Armed Services Committee, knows very well that military housing and other factors incident to fortifying Alaska—and the same statement applies to Hawaii—if not retarded, at least were made more difficult because the two Territories do not have a voice on any committee in the Congress. My interest in the legislative branch of the Hawaiian government is prompted by a visit I made to the islands in 1947 in company with the present Chief Justice of the United States, then the Governor of California, Earl Warren. I marveled at the orderly manner in which proceedings were conducted in the Legislature of Hawaii.

Mr. SMATHERS. Mr. President, will the Senator from Wyoming yield?

Mr. HUNT. I yield.

Mr. SMATHERS. I wish to join in congratulating the able Senator from Wyoming on his very clear and concise statement. Of course, as he knows, I do not agree with his conclusions, but I recognize a good statement when I hear one, and so I extend my congratulations

I should like to ask one question. The Senator from Wyoming referred to the fact that the Un-American Activities Committee had visited the Territory of Hawaii and reported in 1951 that they thought the people of Hawaii had eliminated the Communist menace at that

time. I wonder whether the Senator is familiar with the report which was filed by the Subversive Activities Commission of the Territory of Hawaii, the one which was financed by the Territorial government and which is cited on page 156 of the hearings, which shows that the ILWU completely controls the economic and political life of the Territory of Hawaii and that it is completely Communist dominated at the moment. Is the Senator at all acquainted with that statement?

Mr. HUNT. I did not read that statement. I felt thoroughly convinced by the quotation which I found in the report of the House committee in 1951, which stated:

> The evidence shows that as of 1951 the people of Hawaii have successfully cast communistic influence out of all phases of their political, social, cultural, and educational activities.

Mr. KEFAUVER. Mr. President, will the Senator further yield?

Mr. HUNT. I yield.

Mr. KEFAUVER. Is it not true that the first substantial opposition in the Senate to statehood for Hawaii was made by the distinguished senior Senator from Nebraska [Mr. BUTLER], on the ground that there was some Communist influence in Hawaii; and that now the Senator from Nebraska, who is a very careful observer of influences of this kind is satisfied that communism has been eliminated and that there is no reason to hold up statehood for Hawaii any longer on the theory that there may be some Communist influence in Hawaii?

Mr. HUNT. The Senator from Tennessee is correct.

Mr. SMATHERS. Mr. President, will the Senator yield for one further question?

Mr. HUNT. I yield.

Mr. SMATHERS. The Senator from Wyoming recognizes, does he not, that Delegate FARRINGTON probably is an expert on the question of the Communist situation in Hawaii?

Mr. HUNT. I think he should be a very good authority.

Mr. SMATHERS. In answer to a question asked of him in the committee, Delegate FARRINGTON made a statement, which is contained in the hearings that Communist influence was strong in the Territory of Hawaii. In answer to a question propounded by me as to whether or not Communist influence had much to do with the result of the elections, Delegate FARRINGTON said there was no doubt about it.

Mr. HUNT. May I ask the distinguished Senator from Florida with reference to the particular date when he was discussing the question?

Mr. SMATHERS. I was discussing it when the testimony took place before the committee, which was last year—1953—and Delegate FARRINGTON was testifying, I presume, with reference to that year.

Mr. HUNT. May I ask the distinguished Senator from Florida it if was the Delegate to Congress or a former governor who made that statement?

Mr. SMATHERS. It was the Delegate to Congress, Hon. JOSEPH FARRINGTON. As a matter of fact, as the Senator from Wyoming knows, former Governor Stainback, who heretofore had been a stanch advocate of statehood for Hawaii, recently returned and stated that he did not believe this was an opportune time to admit the Territory of Hawaii as a State because of the Communist influence now prevailing in the Territory.

Mr. HUNT. While I am not at all taking a position contrary to the statement made by the distinguished Senator from Florida, I am wondering if there ever has been any type of shipping and dock strike controlled by the Communists in Hawaii comparable to that which is now in progress in the city of New York.

Mr. SMATHERS. I shall be happy to answer the question. There was a strike in Hawaii of such long duration that it finally was necessary to resort to calling out the militia.

Then, after the seven Communists were convicted in Hawaii 2 years ago, there was a political strike, in which there was involved no issue of wages, hours, or working conditions; but 26,000 workers simply walked off their jobs merely in protest of the conviction of John Hall and his associates as Communists.

So the Hawaiians have had their troubles, and the unfortunate fact is that the ILWU is the only big union in Hawaii. It is unlike New York, where there are other unions and other enterprises operating. When the union in Hawaii stops work, everything comes to a halt.

Mr. HUNT. Does the distinguished Senator from Florida contend that conditions on the docks in Hawaii are any worse than they are in the United States today?

Mr. SMATHERS. It is my humble opinion that John Hall and Harry Bridges have tighter control over the ILWU on the west coast of the United States and in the Territory of Hawaii than they do on the east coast. The CIO threw the ILWU on the east coast out because it was Communist dominated. The struggle going on in New York today concerns who is going to win control of the longshoremen in New York, the ILWU, a union which is Communist controlled and dominated, or the new union.

Mr. President, I desire to congratulate the Senator from Wyoming on his fair statement.

Mr. HUNT. I thank the Senator from Florida.

Mr. CARLSON. Mr. President, the senior Senator from Wyoming has just made a very able statement in regard to the stability of the Territory of Hawaii from a governmental and an economic standpoint. I was especially interested in that phase of his remarks in which he discussed the legislative branch of the Territory, which I think is most important.

I do not believe the record of the debates in the Senate on the important issue of statehood for Hawaii and Alaska should be completed without placing in the RECORD resolutions which were approved by the governors' conference for a number of years on this important issue.

It was my privilege to serve as Governor of Kansas during the years 1947, 1948, 1949, and 1950. The distinguished Senator from Wyoming [Mr. HUNT], who has just finished speaking, was a member of the governors' conference from the great State of Wyoming during the years 1947 and 1948, he having been elected to the United States Senate in 1948. I am certain the Senator from Wyoming will agree with me that this question was on the agenda for discussion at every one of the conferences.

It was my privilege to serve as a member of the resolutions committee in 1947 and in 1948, as chairman of the resolutions committee in 1949, and as chairman of the governors' conference in 1950. I well remember that the recognized officials of the Territory of Hawaii and the Territory of Alaska came before our committee and presented their cases for statehood. For the RECORD, I wish to submit the various resolutions, for instance, the resolution adopted by the governors' conference at the 39th annual meeting, held in Salt Lake City, Utah, July 13 to 16, 1947. I desire to have the RECORD show the statements in regard to statehood for Hawaii and statehood for Alaska. I shall not take the time of the Senate to read all these resolutions, but I think it would be of interest to read 1 or 2 of them.

The following resolution was adopted in 1947:

STATEHOOD FOR HAWAII

> The people of Hawaii have at the ballot box expressed their desire to achieve statehood. Hawaii is one of the two incorporated Territories of the United States for which statehood, following American tradition and precedent, is clearly indicated as their destiny. Hawaii has been under the American flag for 49 years and has therefore undergone a period of preparation and tutelage far longer than that of most Territories before they achieved statehood. The expressed wish of our own fellow citizens of Hawaii is merely for the fulfillment of the moderate, understandable, traditional, and legitimate aspiration to achieve full equality and responsibility in the family of States and for self-government according to the established American pattern.
>
> Therefore the governors' conference hereby expresses its sympathy with the recorded desire for statehood for the people of Hawaii and endorses the passage of suitable legislation by the Congress to achieve that end.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. CORDON. Am I correct in my understanding that the Governors' Conference never adopts a resolution except by a unanimous vote?

Mr. CARLSON. The Senator from Oregon is correct. No action ever is taken at a governors' conference when there is one objection to a resolution.

In the same year, 1947, the Governors' Conference also adopted the following resolution:

STATEHOOD FOR ALASKA

> The people of Alaska have at the ballot box expressed their desire to achieve statehood. Alaska is one of the two incorporated Territories of the United States for which statehood, following American tradition and precedent, is clearly indicated as their des-

tiny. Alaska has been under the American flag for 80 years and has therefore undergone a period of preparation and tutelage far longer than that of most Territories before they achieved statehood. The expressed wish of our own fellow citizens of Alaska is merely for the fulfillment of the moderate, understandable, traditional, and legitimate aspiration to achieve full equality and responsibility in the family of States and for self-government according to the established American pattern.

Therefore the Governors' Conference hereby expresses its sympathy with the recorded desire for statehood of the people of Alaska, and endorses the passage of suitable legislation by the Congress to achieve that end.

Mr. President, at the 40th annual meeting of the governors' conference at Portsmouth, N. H., on June 13 to 16, 1948, the governors' conference again adopted a resolution favoring statehood for Hawaii and Alaska. I ask unanimous consent that the resolution be printed in the body of the RECORD at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

STATEHOOD FOR ALASKA AND HAWAII

The governors' conference hereby reiterates its sympathy with the recorded desire for statehood of the people of Alaska and Hawaii, and endorses the passage of suitable legislation by the Congress to achieve that end.

Mr. HUNT. Mr. President, will the Senator from Kansas yield?

Mr. CARLSON. I yield to the Senator from Wyoming.

Mr. HUNT. Does the Senator remember that during the conferences of governors the resolutions were not adopted with the rapidity of lightning, but were very carefully analyzed and very thoroughly studied, the governors knowing full well that resolutions must be unanimously approved by representatives from all the States before they were adopted?

Mr. CARLSON. The Senator from Wyoming is absolutely correct. I am sure he remembers instances when resolutions were not adopted because there was not unanimous approval of them.

Mr. HUNT. The resolutions were not adopted unless unanimously approved.

Mr. CARLSON. I was interested in statements made some time ago on the floor of the Senate about Governor Stainback, who appeared before our committee each one of the 4 years I was a member of the Committee on Resolutions, and urged statehood for Hawaii. He now comes before the Committee on Interior and Insular Affairs and opposes statehood for Hawaii. I can hardly understand the reason why that change in his attitude could have developed except that, as I understand, he is now sitting as a judge. Perhaps that makes some difference.

Mr. HUNT. Mr. President, I should like to ask the Senator from Kansas one further question. In our discussions in the conference of governors with reference to the question of statehood for both Hawaii and Alaska, does the Senator not remember that as the conference reiterated its resolutions year after year, it was done only after complete hearings each year?

Mr. CARLSON. The Senator from Wyoming is absolutely correct. They were not canned resolutions; they were new resolutions each year, and their adoption was urged at the conference of governors.

Mr. ANDERSON. Mr. President, will the Senator from Kansas yield?

Mr. CARLSON. I yield to the Senator from New Mexico.

Mr. ANDERSON. I wish to remind the distinguished Senator from Kansas that when hearings were held on Alaskan statehood in 1949, two of the witnesses who appeared at that time were Governor Driscoll of New Jersey and then Governor Warren, of California. I make that statement merely because some persons have stated that there has been, politically, one-sided support of the proposal for statehood, when that is not true. Governor Warren came across the country at his own expense, and testified forcefully and very intelligently on behalf of statehood for Alaska at that time. Certainly the intervening years, during which there has been a substantial growth in population, have justified the optimism he then had.

I wanted the acting majority leader [Mr. CARLSON] to give full credit to the fact that those two Republican governors came to that hearing in 1949 and spoke strongly not only in favor of Hawaiian statehood, but also in behalf of Alaskan statehood, both of which they favored. In my opinion, Governor Warran's statement was one of the finest delivered on the whole subject.

Mr. CARLSON. The Senator from New Mexico is entirely correct. There was absolutely no partisanship in the actions taken at the Governor's Conference. An objection on the part of one of the 48 governors will prevent a resolution from being reported from the resolutions committee or adopted by the governor's conference. Several past governors of States are Members of the Senate, and they will remember that normally the members of the conference are pretty well divided among the States of the Union, so far as concerns the number of governors elected on the Democratic and Republican tickets. There was certainly no partisanship reflected in the action on the resolutions considered.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. CARLSON. I yield to the Senator from Florida.

Mr. SMATHERS. The Senator from Kansas has suggested that possibly the fact that Governor Stainback has now acquired the status of Judge of the Supreme Court of Hawaii, may be the reason why he has changed his mind. I am sure the Senator would not want to infer that Justice Stainback has changed his opinion because of other than the most worthy of motives.

Mr. CARLSON. I was merely surprised at the change in the stand Governor Stainback had taken for 4 years while I was on the resolutions committee or chairman of the governor's conference. During that period he earnestly pleaded for statehood for Hawaii, and then in a year's time he changed his mind.

Mr. SMATHERS. The Senator would agree, would he not, that in view of the fact that Governor Stainback spent 42 years in Hawaii, he would be in a position to know what was going on in Hawaii?

Mr. CARLSON. I would fail to be frank if I should say I did not think he would be in a position to know. Following Governor Stainback, a Kansan, Governor Long, was selected as Governor of Hawaii. I have had visits with him, and I am somewhat familiar with his knowledge of the islands. He has been on the islands 37 years.

Mr. SMATHERS. I assume the Senator from Kansas is not going to say that we accepted Justice Stainback's remarks when he was on our side, but that we should not accept his opinion when he came back later and stated, as he did as the Senator will find if he cares to look at the record, that after reviewing the matter, in view of the fact that Communists had not been eliminated, as he hoped they would be, he could now best serve the interests of the United States by telling the people of America that this is not the opportune time to admit Hawaii as a State. Merely because the Senator from Kansas disagrees with Justice Stainback, I am sure the Senator does not wish to impute improper motives to him.

Mr. CARLSON. The junior Senator from Kansas does not wish to impute improper motives to Justice Stainback, but the Senator remembers how energetic Governor Stainback was in urging statehood for Hawaii at the governors' conference each time I happened to be a member of it.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. FULBRIGHT. Mr. President, referring to Governor Stainback's position, the Senator from Kansas would not care to have the inference drawn, would he, that he lacks belief in the power of education? Here is a man who after long familiarity and consideration of the question of statehood, has now changed his views. Is that not a normal thing for people to do after they have learned thoroughly about a subject?

Mr. CARLSON. It may be very normal, but after having been a member of the Resolutions Committee of the governors' conference, and having served as Governor of Kansas for 4 years, the Senator from Kansas thinks it is interesting that Governor Stainback changed his mind so rapidly.

Mr. FULBRIGHT. Governor Stainback did not do it rapidly; it took 40 years. One ought to give more credit to his views, because Governor Stainback has studied the question for a long time.

Mr. CARLSON. Again I wish to say that for a period of 4 years at the end of his 40 years, Governor Stainback had urged statehood, and then all of a sudden he changed his mind. It may be that it was due to education.

Mr. FULBRIGHT. Has not the Senator from Kansas noticed that Senators who have become Members of the Senate with one set of views have changed

them after becoming familiar in the Senate with practices, procedures, and knowledge of the Government?

Mr. CARLSON. I have noticed that Senators grow more conservative as they continue their service in the Senate.

Mr. KEFAUVER. Mr. President, will the Senator from Kansas yield?

Mr. CARLSON. I yield to the Senator from Tennessee.

Mr. KEFAUVER. I cannot let the discussion about Governor Stainback pass without saying a word. Governor Stainback originally came from my State of Tennessee. Many relatives of his still live there. I have known Governor Stainback for some time. Although I disagree with his present attitude about statehood for Hawaii, I think we would be doing him a grave injustice if we impugned his motives or honesty in reaching the conclusions he has reached. He may not have the proper facts as a basis for his opinion, but I know that Governor Stainback is an honorable man.

The other point I wished to make was that I heard it said that the present Governor of Hawaii, the Governor who succeeded Governor Stainback, was from the State of Kansas. I have met Mr. Long. It is my definite impression that he, too, came from the State of Tennessee, and lived at Knoxville. I wondered how the Senator got him all the way out to Kansas.

Mr. CARLSON. The comment of the Senator from Tennessee is most interesting. Governor Long is very highly regarded as a distinguished Kansan. He has been in my office, and we have had many conversations about his early life in Kansas.

Mr. KEFAUVER. I am sure the Senator from Kansas would not mind sharing Governor Long with the State of Tennessee, because he used the extremely good wisdom of residing for a considerable part of his life in the Volunteer State.

Mr. CARLSON. Not only are we glad to share him, but we are very proud of him and of his service.

Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the resolutions adopted by the governors' conference at its 41st annual meeting at Colorado Springs, Colo., on June 19–22, 1949.

There being no objection, the excerpt from the resolutions was ordered to be printed in the RECORD, as follows:

[Excerpt from resolutions adopted by the governors' conference, 41st annual meeting, Colorado Springs, Colo., June 19–22, 1949]

X. STATEHOOD FOR ALASKA AND HAWAII

The governors' conference urges the Congress promptly to enact enabling legislation to admit Alaska and Hawaii to statehood.

Mr. CARLSON. Mr. President, the 42d annual meeting of the governors' conference was held at White Sulphur Springs, W. Va., on June 18 to 21, 1950. At that time it was my privilege to serve as chairman of the conference. I now ask unanimous consent that the resolution regarding statehood for Hawaii and Alaska, as adopted by that conference, be made a part of the RECORD at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

[Excerpt from resolutions adopted by the governors' conference, 42d annual meeting, White Sulphur Springs, W. Va., June 18–21, 1950]

V. STATEHOOD FOR ALASKA AND HAWAII

The governors' conference for the fourth successive time urges the Congress to enact legislation to admit Alaska and Hawaii to statehood.

As we meet in mid-June, 1950, statehood bills for both our incorporated Territories have passed the House of Representatives, and extensive hearings have been held by the Senate Committee on Interior and Insular Affairs. We strongly urge this committee to report these bills promptly, so that the Senate may pass on this important issue.

Mr. CARLSON. Mr. President, the 43d annual meeting of the governors' conference was held at Gatlinburg, Tenn., on September 30-October 3, 1951, following my election to the United States Senate. I notice that the conference again adopted a resolution in regard for statehood for Hawaii and statehood for Alaska. I ask unanimous consent that the resolution be printed at this point in the RECORD.

There being no objection, the excerpt from the resolution was ordered to be printed in the RECORD, as follows:

[Excerpt from resolutions adopted by the governors' conference, 43d annual meeting, Gatlinburg, Tenn., September 30–October 3, 1951]

VII. STATEHOOD FOR ALASKA AND HAWAII

The last four meetings of the governors' conference have recommended passage of statehood bills for Hawaii and Alaska. The governors' conference again urges prompt action by the Congress to permit these two Territories to achieve statehood.

Mr. MONRONEY. Mr. President, will the Senator from Kansas yield to me?

The PRESIDING OFFICER (Mr. FLANDERS in the chair). Does the Senator from Kansas yield to the Senator from Oklahoma?

Mr. CARLSON. I am glad to yield.

Mr. MONRONEY. I should like to ask my distinguished friend and colleague from the State to the north of my home State whether during those governors' conferences—in connection with which I recognize the able leadership of my distinguished colleague, the Senator from Kansas, at the time when he was Governor of the State of Kansas—any discussion was had in regard to another status which might be desirable both for the United States and for the Territories of Alaska and Hawaii.

I realize that the governors, believing thoroughly in the necessity for local self-government, would have an impelling desire to make sure that no sections would be left without the privilege of self-government. Therefore, I wonder whether at any of the conferences there was a discussion of any other status, such as commonwealth status, which the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Florida [Mr. SMATHERS], the Senator from Texas [Mr. DANIEL], and I are suggesting as an alternative to the plan for full statehood, which seems to have been the issue largely before the country, for the people have generally understood that the question was either statehood or being condemned to the inferior status of a Territory, with appointive chief executives, and so forth, a system which is distasteful to the people generally, as well as to the representatives of such groups as the governors' conference.

Mr. CARLSON. Let me say that for the 4 years during which I happened to be a member of the governors' conference—serving 2 years as a member of the resolutions committee, 1 year as chairman of that committee, and 1 year as chairman of the entire conference—at no time was it proposed to the conference that these Territories have any status other than that of statehood. I assume that it was natural for the governors to take that position.

Mr. MONRONEY. In other words, the issue at that time was either statehood or a Territorial status; is that correct?

Mr. CARLSON. That is correct.

Mr. MONRONEY. Mr. President, I desire to thank the distinguished Senator from Kansas for having contributed so ably, as he always does, to the thorough discussion of these very important issues.

Mr. CARLSON. I thank the distinguished Senator from Oklahoma.

Mr. President, the 44th annual meeting of the governors' conference was held at Houston, Tex., from June 29 to July 2, 1952. I wish to read the resolution regarding statehood for Hawaii and Alaska which was adopted at that time:

II. STATEHOOD FOR ALASKA AND HAWAII

The 44th governors' conference for the 6th successive time renews its recommendation that the Congress promptly enact statehood legislation for our two incorporated Territories, Alaska and Hawaii. They have been kept under a Territorial status for 68 and 52 years respectively. The governors' conference believes that their long period of tutelage should be ended and that they should be granted equality under the established formula which validates our American principle of government by consent of the governed.

Mr. President, I believe it is most important that those resolutions, dealing with statehood for Hawaii and Alaska, be made a part of the debate on this subject.

Mr. MORSE. Mr. President, I rise to speak very briefly on the Hawaii-Alaska statehood issue.

First, I wish to comment very good naturedly on what I thought was a most interesting exchange, a few minutes ago, between the Senator from Kansas [Mr. CARLSON] and the Senator from Arkansas [Mr. FULBRIGHT], regarding the observations of each as to what happens to the thinking of Members of the Senate.

I was particularly delighted with the observation of the Senator from Kansas that the longer most Senators serve in the Senate, the more conservative they become. I wish to say that I appreciate that observation, and it is one reason for my becoming an Independent in the Senate. I too have noticed that the longer they stay here the more inclined Senators are to become very conservative. Apparently party discipline and partisan expediency has that influence on some men. Liberals on the other hand maintain an independence of judg-

ment on the merits of issues free of party discipline.

In discussing the subject before the Senate, I desire to say that for sometime past we have listened, off and on, to a debate on the question of statehood for Hawaii and Alaska. I believe it is fair for me to conclude that, in the course of the debate, we have about covered the subject matter.

Thus, today I have notified the leadership of the Senate that I shall be very happy to cooperate with them in obtaining an agreement calling for termination of the debate. Although it will be very inconvenient for me, personally, to have such an agreement entered this week, nevertheless, I think the best interests of the Senate and of the legislative program confronting the Senate during the remainder of the session call for at least an attempt to bring debate on this issue to an end this week, unless there are some Senators who really believe they have much more to offer regarding the merits of the issue. Of course, if there are such Senators, I certainly would not wish debate to end.

Mr. FULBRIGHT. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I am glad to yield.

Mr. FULBRIGHT. In looking around the Senate Chamber and noticing the attendance of Senators at this time, I wonder whether the Senator from Oregon is telling us that at this time the Senate is giving adequate attention to this very important problem.

Mr. MORSE. I have reached the conclusion that the Senate has already given adequate attention to it.

Mr. FULBRIGHT. When did that occur?

Mr. MORSE. As I have said, in days and weeks gone by, I believe adequate attention was given to this issue during the course of debate.

Mr. FULBRIGHT. The Senator from Oregon knows, I assume, that there are only about six Senators on the floor at this time; and all of them have taken part in the debate on this issue, and probably have made up their minds about it, although it is fair to assume that all the other Members of the Senate have not adequately considered the pending issue.

Mr. MORSE. At the moment I notice nine Senators in attendance, which is a fairly good attendance these days.

Mr. FULBRIGHT. Does the Senator from Oregon really believe that is a good attendance of Senators?

Mr. MORSE. In view of past experience, I believe that is a remarkably good attendance of Senators. Of course it should be pointed out that there are probably 50 Senators sitting in committee meetings at this very moment.

Mr. FULBRIGHT. The Senator from Oregon knows that the Senate has not given thorough consideration to the pending issue, in the sense that not all Senators have listened to the debate and know what the details of the pending issue are.

Mr. MORSE. In rebuttal of my colleague's observation, I wish to say that I think most Senators read much better than they listen. I believe that undoubtedly our colleagues have read much of the rather lengthy debate on the statehood issue, which has been published in the CONGRESSIONAL RECORD.

Mr. FULBRIGHT. How does the Senator know they have read it?

Mr. MORSE. I know it from conversations with my colleagues. I am quite surprised, I will say to my friend from Arkansas, how frequently they show that they have read the reports of the Independent Party. I am always honored if as many as nine Senators are present to listen to a report of the Independent Party. I notice that many Senators read such reports.

Mr. FULBRIGHT. Does the Senator believe that anywhere near a majority of Senators have either read or listened to the debate upon the proposal for commonwealth status for these two Territories?

Mr. MORSE. All fun aside, I am satisfied in my own mind that an overwhelming majority of our colleagues in the Senate are familiar with the commonwealth proposal of the Senator from Oklahoma and the Senator from Arkansas, that they have given careful consideration to the merits and demerits of it, that they have reached a conclusion as to their position on it, and are ready to vote. Only because I believe that is the case would I make any exception to the general policy which I announced earlier this year, of not entering into unanimous-consent agreements to vote on specific dates.

Mr. President, my speech this afternoon will be limited to the reading of a letter which I have received from a businessman in the islands, a former Oregonian, a man whom I know very well. He is a good student of world problems, as well as of our national problems. I can testify here today that he is a man who enjoys a very fine reputation in the islands. I knew him when, years ago, he was a student at the University of Oregon. His name is Buchwach. He writes to me under date of March 17. I shall read the letter and make a few comments on it, and that will comprise my speech. The letter reads as follows:

MARCH 17, 1954.

Senator WAYNE MORSE,
United States Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: The Honolulu papers yesterday published reports from Washington about your aim to force completion of debate and a vote on the statehood bill. It was a shot in the arm for the people of Hawaii, who during the past week have been down in the dumps because they fear that once more they're going to be deserted stepchildren.

Hawaii preferred that both she and Alaska be considered on their merits and voted on separately as to qualifications for entering the Union. Now that they are wedded, however, the political considerations affecting each Territory should be eliminated and a vote on the merits possible.

It seems no more than simple justice to us that the United States Senate be permitted to vote "yes" or "no" on the statehood question. To be kept from our rightful place among the family of States by the undemocratic and unfair tactics of a vociferous minority, that is hard to take.

The most bitter medicine is the charge that we are completely controlled by Communists and would be a "Communist state." That is false testimony. It is the Communists most of all who don't want Hawaii to be a state, and for good reason. Day by day the Reds are pouring out propaganda in the Far East, denouncing the United States as an imperialist power, a nation that preaches democracy and treats all non-Caucasians as second-class citizens. The Communists encounter difficulty when they try to explain Hawaii, where there is tolerance and understanding and good will and the color of skin is as unimportant as the color of a man's hair.

But the Communists, fortunately for them, are provided with ammunition that strikes right to the target among the minds of millions of non-Caucasians in the Far East. That ammunition is that the United States refuses to let Hawaii be admitted to the Union, not because she is not fully qualified, not because her citizens have not demonstrated their patriotism and Americanism, but because of the many Americans who are non-Caucasian.

If Hawaii were admitted to the Union, the Communists would reel under the impact of a psychological blow whose importance cannot be overestimated. Their lies and their charges against the United States would be blown to bits, and Hawaii would be a symbol of democracy and hope for millions of little people of the Far East to whom action speaks far more loudly than words.

No, the Communists don't want Hawaii to be a State. That would rob them of a powerful weapon.

As for communism in Hawaii, it feeds on unfertile soil. It is true that we have Communists, and that using labor unions as a mask they have managed to achieve some influence. It is not true they control the people of Hawaii; it is not true they would have control over whom we would send to the United States Senate.

Communism breeds best and most where there is racial discrimination; where poverty is widespread; where misery and hate are abundant; where life is a daily burden.

It does not breed best where there is no racial discrimination; where the living standard is among the highest in the world; where there is sunshine and happiness that out here is called Aloha.

Communism cannot succeed in a land where Americanism and democracy are not merely words in political speeches but a pattern of everyday living. To fear that Communists could take over Hawaii is to fear the Devil could overpower God.

Those who try to deny the good Americans of Hawaii statehood on the flimsy pretense of Communist domination are bearing false witness against their neighbors.

That is why you, Senator MORSE, and every Senator who has had the courage and honesty to stand up in the Halls of Congress and defend us—who have no Senators of our own to do so—carry with you the blessings of the people of Hawaii, and I assure you, are truly good Americans.

Very sincerely yours,

BUCK BUCHWACH.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. MAGNUSON. Does the Senator from Oregon agree with me that it is very difficult to understand the alleged fear and the faulty conclusion that if Hawaii should become a State, whoever would come to the United States Senate would be dominated by Communists? The people of Hawaii have sent representatives to Congress for many years. Communists have not dominated them. I cannot see why coming as a Senator would be any different than coming as a Delegate. There are free elections in Hawaii. I do not see how a Senator

would be in any different status in that respect than the present Delegate, Mr. FARRINGTON, who was elected in a free election. When I first went to the House of Representatives the distinguished Samuel King was the Delegate. He was elected as the result of a free election. If the representatives were designated as Senators instead of Delegates, what would be the difference in Hawaii? I cannot see that there would be any.

Mr. MORSE. I cannot, either. I think the Senator has answered the question by pointing out that the present Delegate, Mr. FARRINGTON, was elected in a free election. I do not know of anyone who might be more anti-Communist than Delegate FARRINGTON.

Mr. MAGNUSON. Or Samuel King.

Mr. MORSE. Or Samuel King.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. SMATHERS. In the letter which the Senator read it is stated that the Communists do not want statehood for Hawaii. I wonder if the Senator is familiar with the statement made by Jack Hall, who was one of those convicted of being a Communist, in a speech which he delivered on Labor Day, 1951, when he said, in front of the courthouse:

> Don't forget we are aching for statehood, and then we will be able to elect our Governor and our judges and we will have control of the police.

That statement was made by Jack Hall, the leader of the ILWU, an admitted Communist union.

Mr. MORSE. I am familar with the statement. I agree with the implications of Mr. Buchwach's argument; namely, that irrespective of what they say, the big-lie technique being the motif of their public relations, the Communists are hoping that Hawaii does not get statehood, because they can cause a great deal more trouble in the Pacific if Hawaii is not a State than they could if Hawaii were a State. I think Mr. Buchwach is absolutely correct when he says that the granting of statehood to Hawaii would be one of the most effective blows against communism in Hawaii that we could possibly deliver in the Senate by our votes on this issue.

Mr. President, that is my speech. I think Mr. Buchwach has stated unanswerable observations as to the public policy involved in this issue. I think the time has come for members of all parties in the Senate to keep faith with our own long-time promises on the issue, as set forth in party platforms and in the speeches of candidates of our parties in various election campaigns. I believe that both Hawaii and Alaska deserve statehood on their merits; and that is why I propose to vote for it, and am ready to vote for it.

Mr. ANDERSON. Mr. President, what is the pending business?

The PRESIDING OFFICER. The unfinished business in Senate bill 49, a bill to enable the people of Hawaii to form a constitution and State government and to be admitted into the Union on an equal footing with the original States.

Mr. FULBRIGHT obtained the floor.

Mr. MAGNUSON. Mr. President, before the Senator begins his speech, I wonder if he will yield to me.

Mr. FULBRIGHT. For what purpose?

Mr. MAGNUSON. For a question.

Mr. FULBRIGHT. I yield for a question.

Mr. MAGNUSON. Meetings of the Appropriations Committee are about to begin, and I must leave the floor for that reason; but, having in mind the suggestion of the Senator from Oregon, I shall, because of my deep interest in the subject, read his speech. A great many other Senators are in the same position with me, especially members of the Committee on Appropriations.

Mr. FULBRIGHT. Mr. President, what always puzzles me is how Senators can read all that is said on the floor of the Senate and also attend meetings of committees. If they were to read everything that is said on the floor, I am sure 24 hours a day would not be sufficient. It is utterly impossible for Members to read all that is said on the floor and also attend meetings of committees. That is one reason why I cannot understand why the Senate should wish to take on additional burdens, such as statehood legislation for Hawaii, when Senators cannot listen to the debate and attend to the other duties already imposed upon them.

Mr. MAGNUSON. Mr. President, if statehood were granted, it would relieve us of a great deal of the burden.

Mr. FULBRIGHT. In what way?

Mr. MAGNUSON. It would relieve us of the necessity of making annual appropriations for Territories, for one thing. That takes a great deal of time.

Mr. FULBRIGHT. The making of appropriations is only a part of our task, it seems to me.

Mr. MAGNUSON. Granting statehood would relieve us of all kinds of responsibilities.

Mr. FULBRIGHT. If that is the case, why do we not take in the rest of the world as States? Then we would not have any problems left at all.

Mr. MAGNUSON. I do not think that observation is pertinent at all.

Mr. FULBRIGHT. To come back to the original idea about attendance on the floor, which was referred to previously, I believe, in all fairness, that the subject of commonwealth status, as proposed by the Senator from Oklahoma [Mr. MONRONEY], the Senator from Florida [Mr. SMATHERS], the Senator from Texas [Mr. DANIEL], and myself, has not been adequately discussed.

Certainly there is no effort on our part to delay a vote. The statehood bill was laid aside last week for the purpose of considering the Chavez election case and the excise-tax bill. Actually very little time has been devoted to the debate on the pending bill, and even less to the alternative proposal which we are offering, namely, that of commonwealth status.

What disturbs me is that I am positive, in spite of the hopes expressed by the Senator from Oregon [Mr. MORSE], very few Members of the Senate have given serious attention to the alternative proposal of commonwealth status.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. ANDERSON. The Senator from Arkansas will recognize the fact, I am sure, that there is a vast difference between the commonwealth status of Puerto Rico and the commonwealth status which is proposed for Hawaii and for Alaska.

In the case of Puerto Rico, the people of Puerto Rico desired that kind of status, and Congress gave them what they wished. On the other hand, in the case of Hawaii, the people of that Territory have no desire for commonwealth status, and in the case of Alaska, people who live there have no desire for commonwealth status. If we were to pass a bill granting commonwealth status to those Territories, it would be absolutely meaningless, because the people of those Territories would not accept that status.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I do not believe the question has been presented to the people of Hawaii. They were asked whether they wanted to form a state. I do not believe the people have seriously considered the proposal, any more than the Senate has seriously considered it.

Furthermore, I do not believe it is a matter to be decided on the passing whimsy of this or that Territory. It is a matter involving the fundamental structure of our Government, and it should be decided on the basis of what is of real benefit and importance to the long-term interests of the 48 States, not merely on what a dependency or Territory wishes to do about it. I believe the wishes of the people of Hawaii and Alaska are certainly secondary.

Much has been said about the promises which allegedly have been made. I did not promise anything in connection with this subject, nor did most of the other Members of the Senate. Such statements are assumptions which are now being stated as facts. The offhand statements of policy which are made in party platforms, practically without real consideration, and with the adoption of which we are all familiar, are not binding. It is not that anyone is trying to deceive anyone else; it is simply the political practice of both parties to make promises when they anticipate a vote.

Mr. SMATHERS. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. SMATHERS. I should like to state that the Senator from Arkansas is eminently correct in what he said about the fact that the people of Alaska and of Hawaii have had no opportunity to vote on the subject of commonwealth status. In Alaska, in 1940, when the people voted, the sole question was, "Do you favor statehood for Alaska?" That was the only question on which they were permitted to vote. Nine thousand three hundred and twenty people voted in favor of statehood, and 6,822 people voted against statehood for Alaska. That was the extent of the expression of the people's wishes.

In 1941, the question submitted to the people of Hawaii was, "Do you favor statehood for Hawaii?" They have never been given the opportunity to vote on the question, "Do you favor statehood, or would you prefer commonwealth status, or some other alternative?" They have had submitted to them only these loaded questions, in connection with which they had the opportunity to vote only for statehood, even though they may not have favored it at that particular time.

Mr. MAGNUSON. Mr. President, will the Senator from Arkansas yield for a brief observation?

Mr. FULBRIGHT. How brief an observation?

Mr. MAGNUSON. An observation of about 1½ minutes.

Mr. FULBRIGHT. On the pending subject?

Mr. MAGNUSON. That is correct.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that I may yield to the Senator from Washington for 1½ minutes, without my losing the floor.

The PRESIDING OFFICER (Mr. FLANDERS in the chair). Without objection, it is so ordered.

Mr. MAGNUSON. I wish the record to be absolutely clear. The Senator from Arkansas [Mr. FULBRIGHT] has referred to the desire of the people of Alaska to have their Territory become a State as a passing whimsy on their part. The Senator from Florida [Mr. SMATHERS] has suggested that they did not have an opportunity to vote on the alternative, namely, the so-called commonwealth status.

Mr. President, every time there has been an expression of opinion in Alaska regarding this subject, the great majority of Alaskans, during the past 20 years with which I am familiar—and perhaps even previous to that—have always stated they wanted statehood. I do not believe such an expression can be characterized as a passing whimsy on their part. It is a very serious matter to them, much too serious to be whimsical about.

I believe if a vote were held in Alaska today, the vote in favor of statehood would be even higher than it was previously. The people of Alaska understand the alternative of commonwealth status. This whole subject receives wide publicity in Alaska. All the newspapers have discussed the subject thoroughly. I could bring many editorials and news articles to the Senate dealing with the subject. The people of Alaska have always wanted statehood.

Mr. SMATHERS and Mr. MONRONEY addressed the Chair.

Mr. FULBRIGHT. Mr. President, why does the Senator from Washington believe that the people of Alaska know all about commonwealth status? Has the Senator gone to that Territory and discussed the matter with the Alaskans, and has he pointed out to them the great advantage of that status?

Mr. MAGNUSON. The Senator from Washington, of course, has not talked with all the people in Alaska personally.

Mr. FULBRIGHT. Why not? It would not take too long to do so. There are not so many people in Alaska, after all.

Mr. MAGNUSON. It would not take so long as it would take to contact all the people of Arkansas, because the communications in Alaska are much better than they are in Arkansas. I have talked to hundreds of Alaskans with respect to this subject. I have discussed it with them in private conversations and in meetings. They understand what is meant by commonwealth status. Perhaps they do not understand it in the great detail being suggested by the Senator from Oklahoma, the Senator from Arkansas, and the Senator from Florida but, when all is said and done, they do want statehood. The people of Alaska are intelligent. They are well informed. There is not much else to do there in the winter but to read, and they do read everything they can get their hands on. I believe they are very well informed.

Mr. SMATHERS. Mr. President, I should like to say to the Senator from Washington, when he speaks about the great demonstration in favor of statehood for Alaska, that they have had only one vote. That was in 1940. There were 9,630 persons for statehood and 6,822 against it. That does not look to me like an overwhelming demand for statehood, considered together with the fact that, although in the Territorial legislature in 1951 there was pending a memorial urging the Congress of the United States to grant statehood to Alaska, the legislature did not even adopt that memorial. As a matter of fact, after the Alaska statehood bill had been defeated, they sent to Congress a memorial saying they would like to be relieved from Federal taxes, which indicates that had they known about commonwealth status at that time they would have been overwhelmingly in favor of it, as I think they now are.

I thought the Senator from Washington might be interested in those facts.

Mr. FULBRIGHT. I am sure he would be interested.

Mr. MONRONEY. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. MONRONEY. In regard to the statement by the Senator from Washington that the people of Alaska understand exactly what we are talking about with reference to commonwealth status, I should like to say that if the people of Alaska are so much better informed than are the Members of the Senate on this subject, I think it might be wise to have a quorum call so that we can get perhaps a half dozen Senators on the floor and have them understand what we are talking about. I dislike to think that the citizens of Alaska, in the frozen north woods have information with reference to commonwealth status which is not possessed by approximately 80 of the 96 Members of the United States Senate.

Mr. MAGNUSON. I should like to say to the Senator from Oklahoma that many Members of the Senate are not so well informed on this question as they should be. None of us is well informed on all questions which come before the Senate. But the people of Alaska have a direct interest in this question. I think I know them better than does any other Member of the Senate, personally, and in every other way, and I believe if an election were held in Alaska at this time the majority of the citizens would vote for statehood.

Mr. MONRONEY. The Senator from Florida has stated that 9,000 citizens of Alaska wanted statehood at the time the vote was taken, and 6,000 of them did not. I think it would be wise not to be rushed into a statehood program which would change the basic fundamental structure of the land union of the United States.

The purpose of my asking the Senator from Arkansas to yield so that I might suggest the absence of a quorum was to get more Senators into the Chamber. Senators are sworn to defend the Constitution of the United States, which I think implies defense against changing the basic structure which is part and parcel of our greatness. For that reason, I hope the junior Senator from Arkansas will permit me to suggest the absence of a quorum at this time.

Mr. MAGNUSON. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. MAGNUSON. I must attend a meeting of the Appropriations Committee, but I should like to say that I think I can give Senators an understanding of this question.

Mr. MONRONEY. I think the Senator from Washington is well informed on the subject of commonwealth status. He was present last week when I discussed the matter. But I should like to have many other Members of the Senate present. Perhaps they know something of the failures of other nations which have tried the system of overseas representation in their parliaments and the bad results which have occurred.

If the junior Senator from Arkansas will yield so that I may suggest the absence of a quorum——

Mr. CARLSON. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield for the purpose of suggesting the absence of a quorum, provided I shall not lose the floor. But before I yield to the Senator from Oklahoma, I will yield to the Senator from Kansas.

Mr. CARLSON. I was interested in the comment which the distinguished Senator from Oklahoma made regarding the Senator from Washington as being one man who understood the question of commonwealth status, and was opposed to it. If others of us understand it, will we also be opposed to it?

Mr. MONRONEY. We hope to present the facts, and we believe that if a few more Members of this distinguished body could be present and given an understanding of what we mean by commonwealth status, we would have a better chance to inform them as to the grave change which is being suggested in our historic pattern of land-union States by going 2,000 miles over international waters to bring in a new State,

and crossing over 1,500 miles of the territory of a sovereign nation, Canada, to bring in another State.

If the Senator from Kansas would cooperate in having more of the members of his own party present in the Senate, only two of whom are now on the floor, it would be a great benefit.

Mr. CARLSON. The distinguished Senator from Oklahoma says there are only two Members present on the majority side. For 20 minutes this afternoon there was only one Member present on the minority side.

Mr. MONRONEY. When word leaked out that the distinguished Senator from Arkansas was going to speak, a number of Senators came into the Chamber. If word could only leak out to the Senate Office Building, perhaps most of the chairs on this side of the aisle would be filled and most of the seats on the majority side would be filled as we explain the reasons why we feel that the commonwealth status might well be preferred by the majority of the people of Alaska. After all, there comes a time when 165 million people must also be considered when we are discussing a fundamental change in our basic geographic structure of a solid, united Union.

Therefore, Mr. President, if the junior Senator from Arkansas will yield for that purpose, I suggest the absence of a quorum.

Mr. FULBRIGHT. I yield for that purpose.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Anderson	Green	Mundt
Barrett	Griswold	Potter
Beall	Hayden	Purtell
Bricker	Hendrickson	Smathers
Butler, Md.	Jackson	Smith, N. J.
Carlson	Johnson, Tex.	Thye
Cordon	Johnston, S. C.	Watkins
Daniel	Knowland	Wiley
Dworshak	Maybank	Young
Flanders	McCarthy	
Fulbright	Monroney	

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. SCHOEPPEL] is absent by leave of the Senate.

The Senator from Utah [Mr. BENNETT], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from New Hampshire [Mr. UPTON] are necessarily absent.

Mr. JOHNSON of Texas. I announce that the Senator from Ohio [Mr. BURKE], the Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Missouri [Mr. HENNINGS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from North Carolina [Mr. LENNON], the Senator from Montana [Mr. MURRAY], the Senator from Rhode Island [Mr. PASTORE], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

The Senator from Georgia [Mr. GEORGE] and the Senator from Tennessee [Mr. GORE] are necessarily absent.

The PRESIDING OFFICER. A quorum is not present.

Mr. KNOWLAND. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of the absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. AIKEN, Mr. BUSH, Mr. BUTLER of Nebraska, Mr. BYRD, Mr. CAPEHART, Mr. CASE, Mr. CHAVEZ, Mr. CLEMENTS, Mr. COOPER, Mr. DIRKSEN, Mr. DUFF, Mr. ELLENDER, Mr. FERGUSON, Mr. FREAR, Mr. GILLETTE, Mr. GOLDWATER, Mr. HICKENLOOPER, Mr. HILL, Mr. HOEY, Mr. HOLLAND, Mr. HUMPHREY, Mr. HUNT, Mr. IVES, Mr. JENNER, Mr. JOHNSON of Colorado, Mr. KEFAUVER, Mr. KILGORE, Mr. KUCHEL, Mr. LANGER, Mr. LEHMAN, Mr. LONG, Mr. MAGNUSON, Mr. MALONE, Mr. MANSFIELD, Mr. MARTIN, Mr. MCCARRAN, Mr. MCCLELLAN, Mr. MILLIKIN, Mr. MORSE, Mr. NEELY, Mr. PAYNE, Mr. RUSSELL, Mr. SALTONSTALL, Mrs. SMITH of Maine, Mr. STENNIS, Mr. SYMINGTON, Mr. WELKER, and Mr. WILLIAMS entered the Chamber and answered to their names.

The PRESIDING OFFICER (Mr. BUSH in the chair). A quorum is present.

ORDER FOR RECESS

Mr. KNOWLAND. Mr. President, will the Senator from Arkansas yield to me for a moment?

Mr. FULBRIGHT. I yield.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it take a recess until tomorrow, Tuesday, at 12 o'clock noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEHOOD FOR HAWAII

The Senate resumed the consideration of the bill (S. 49) to enable the people of Hawaii to form a constitution and State government and to be admitted into the Union on an equal footing with the original States.

Mr. FULBRIGHT. Mr. President, I should like to say for the RECORD that it was with great reluctance that I yielded for the purpose of a quorum call. I had no illusions about the matter. I did not expect any Senators who entered the Chamber in response to the quorum call to remain. I think there are very few more now present than were present when the quorum call was started. That is an old custom in this body.

By way of introduction, I wish to say a few words about the preliminary remarks which have been made.

First, it seems to me that the significance of the desires of the people of Hawaii or Alaska is quite a secondary consideration. The primary consideration, it seems to me, should be the effect of granting statehood to Hawaii or Alaska upon the continuity, strength, and unity of the present Union of 48 States. I hope we can approach the question from that point of view.

Furthermore, so far as I am concerned, while the issue of communism is important whenever it arises in any area of the country, it is not a determinative issue here, it seems to me. I believe that the remark of the Senator from Kansas [Mr. CARLSON] that the Communists oppose statehood must be based on a very questionable analysis. I hope no effort is made to identify those who oppose the bill with communism. I am sure that was not the intent.

It seems to me that if the Communists were so strong in the islands as has been alleged, they would be very strong for statehood, because, assuming that they were strong, they would have two Senators in this body, with access to various committees, such as the Joint Committee on Atomic Energy, and others.

Therefore, if they were very strong in the islands, they would be much more likely to favor statehood for Hawaii than the present Territorial status, which gives them no entry into the Senate. I do not consider that to be the determining, or even a very important, issue, because I do not believe they control the islands, although they obviously have great influence in the labor unions dominated by Mr. Bridges.

Mr. CARLSON. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I shall be happy to yield in a moment.

I wish to approach the problem from the standpoint of what is for the best welfare of the 48 States. I now yield to the Senator from Kansas.

Mr. CARLSON. It was not my desire to raise the issue of communism, so far as I was personally concerned.

Mr. FULBRIGHT. I am certain the Senator from Kansas did not intend to make the very common allegation or indulge in the oft-repeated implication to the effect that anyone who disagrees with another person on this subject is in some way or other influenced by communism, or follows the Communist line. I am certain that the Senator from Kansas did not intend such an implication.

Mr. DANIEL. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Texas.

Mr. DANIEL. I did not hear the statement made by the distinguished Senator from Kansas, and probably the statement has been corrected by other Senators who are members of the committee. I wish to say that all the evidence I heard developed before the Committee on Interior and Insular Affairs was to the effect that the Communist leadership in the islands was very much in favor of statehood. I did not hear any evidence at all to the effect that the Communist leadership in the islands opposed statehood.

Mr. FULBRIGHT. I thank the Senator from Texas for his contribution. Being rather shrewd, the Communists, of course, know that they could bring about a great deal of confusion if statehood were granted to Hawaii. From our own knowledge of the operations of the Federal Government, it is obvious that it has much more business to consider than it can well attend to. That is why

it has been impossible to obtain a real quorum in the Senate. It has taken almost an hour to obtain a quorum on the floor, and it is not a real quorum, because any Senator can see that even after all the effort of having the Sergeant at Arms request the attendance of Senators, not more than 8 or 10 Senators are now on the floor. It is not because Senators do not wish to be on the floor; it is because many committees are meeting. We know that the Committee on Appropriations is holding a hearing this afternoon. Furthermore, every Member of the Senate has much more work to do in his office than ever before. That is why we do not have a better attendance on the floor of the Senate.

Nevertheless, there are those who would burden the Central Government with still more duties, by granting statehood to these two Territories. I believe that fact in itself is of some significance.

I should like at this point to ask unanimous consent to have printed in the RECORD an article written by Mr. Joseph C. Harsch, special correspondent of the Christian Science Monitor. I should like to read one paragraph, because it highlights the importance of the basic question involved in the pending bill. He writes:

However, this does not mean that the only choice is between statehood and colonialism. Britain faced the same problem when it decided to grant commonwealth status to its former great dominions. These had first been colonies. It was not practical to grant them the equivalent of statehood because the local affairs of Canada, Australia, New Zealand, South Africa, India, and Ceylon could not, in fact, be concentrated in the single city of London and managed in the single Parliament at Westminster. The commonwealth concept was invented to solve Britain's dilemma over the impossibility of statehood and the intolerability of continued colonial status for its mature offspring.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STATEHOOD OR COMMONWEALTH?

(By Joseph C. Harsch)

WASHINGTON.—It would seem to this writer that Senators MONRONEY, FULBRIGHT, SMATHERS, and DANIEL made a constructive and long-overdue contribution to public thinking about the relationship of the United States to its outlying possessions when they proposed that Alaska and Hawaii be given not statehood but commonwealth status.

Such a proposal is bound to be a bitter disappointment to the good citizens of Alaska and Hawaii, most of whom are as American in every respect as the inhabitants of Massachusetts, New York, Tennessee, or California, and who have had the prospect of statehood dangled before their eyes by the party platforms of both Republicans and Democrats for a generation.

The proposal would in effect take away from Alaksa and Hawaii something which has been promised repeatedly and which both have had much reason to anticipate at the present sitting of the Congress of the United States.

However, the intensity of the debate in Congress and the obvious reluctance of many Members of both House and Senate to proceed to the promised action attest to the existence of a deep and unresolved doubt about the wisdom of extending the territorial frontiers of the United States beyond those which now exist, and which have been established and unchanged since Arizona and New Mexico were admitted to the Union in 1912.

The reasons usually given for hesitation about this step have not, I think, been the true reasons. Certainly it would raise serious questions if one were to be given statehood and the other denied it because of calculations as to the probable party alinement of its future Senators and Representatives in the United States Congress. Certainly, also, there would be an indefensible violation of the concepts of Americanism if any Territory were denied admission on the ground that some of its citizens are of Asiatic rather than of European extraction.

The true reason for hesitation about statehood arises rather, I think, out of the fact that Alaska, Hawaii, Puerto Rico, Guam, Samoa, the Virgin Islands, and the Mariannas are all Territories noncontiguous to the existing Territory of the United States and that history is liberally sprinkled with case examples of the unwisdom of attempting to govern noncontiguous territories from 1 capital under 1 single parliament.

The English colonists who settled on the American seaboard were as English when they arrived as were their compatriots who remained at home, and continued to be as English until well after the separation. Yet there arose between them differences of interest which forced their separation.

There can be no serious doubt that a permanent colonial status is as intolerable under the American flag today as it was under the British royal standard in 1776. It has been the impropriety and the impermanence of colonial status which has brought the project of statehood of Alaska and Hawaii to its present position on the legislative calendar in Washington. American citizens of Alaska and Hawaii cannot properly be relegated much longer to the condition of second-class citizens.

However, this does not need to mean that the only choice is between statehood and colonialism. Britain faced the same problem when it decided to grant commonwealth status to its former great dominions. These had first been colonies. It was not practical to grant them the equivalent of statehood because the local affairs of Canada, Australia, New Zealand, South Africa, India, and Ceylon could not, in fact, be concentrated in the single city of London and managed in the single Parliament at Westminster. The commonwealth concept was invented to solve Britain's dilemma over the impossibility of statehood and the intolerability of continued colonial status for its mature offspring.

The United States has, in fact, already applied this same solution in the case of Puerto Rico. It is a self-governing Commonwealth, under the American flag. It is sovereign, independent, and equal, but has of its own free choice, and for sound and practical reasons, entrusted its foreign and defense policy to the Government in Washington. It has the right to withdraw this trust and break this association of mutual convenience any time it chooses. Puerto Rico is not a colony, a Territory, or a possession. It is as independent of Washington as Canada is of London.

There is no reason why Alaska and Hawaii should not be able to prosper under commonwealth status, as Canada and Australia have prospered. It is an honorable and dignified status. Its terms can be adjusted to fit the common interests of all concerned. It would recognize the basic and true reason for hesitation in Washington about statehood, for it would leave unchanged the established boundaries of the American Union.

The relationship of the 48 States to each other is a fixed and settled thing. The relationship of such a union to any outlying colony, territory, possession, or commonwealth cannot be fixed or certain for all time. To attempt to fix it so is, I think, to invite future, unforseeable and undesirable complications. The Soviet Union has not even attempted it with its contiguous satellites. Britain had to give up the Republic of Ireland although more Irishmen live in England than in Ireland. A commonwealth is flexible, and can adjust itself to the future. A union is not flexible, and can be extended overseas only at great risks and hazards.

Mr. FULBRIGHT. Mr. President, I submit that the same reasoning applies to our present situation. No one denies that it would be an unprecedented step on our part if we were to grant statehood to Territories lying beyond our borders, or to noncontiguous territories. It is a very serious problem. I am confident some Senators, in considering the status of Hawaii, have thought that perhaps, in view of the growing difficulties with the great empire of Russia, this country should resort to imperialism. Whether statehood for Hawaii is considered a step in that direction, I do not know. I do not believe the sponsors of the pending legislation have that in mind, or that this effort is merely the first step toward an unlimited expansion of our direct power, a reversal—if that were the fact—of our historic policy. I do not believe that is the motive.

However, once we break the traditional policy which we have voluntarily accepted, namely, that of limiting statehood to contiguous territory on the North American Continent, we certainly open the door, and it would be difficult from that time to resist proposals to extend statehood to any of the other noncontiguous territories which may desire statehood and who may find sponsors for such proposals in the Congress.

It seems to me that the reference made by Mr. Harsch to the situation of Great Britain reflects the wise way for us to proceed on the basis of a long-term future, and I believe it calls for a consideration of two of the principal examples we have had in this field, that is, the British Commonwealth and France. They are two of the greatest colonial powers in the world.

Generally speaking, Britain has followed the principle that Mr. Harsch mentioned, that is, rather than extending her direct power by granting colonies the right to have representation in Parliament, Britain has followed the commonwealth approach, by granting a greater and greater degree of self-government to its various colonies throughout the world; in contrast to the French experience.

I have before me a book from which I should like to read a paragraph, as a taking-off place with regard to that point. I read from the book entitled "European and Comparative Government," chapter 7:

The special genius of the British nation has long been expressed in its adaptability to regional differences and change. While French and German administrations stress uniformity and logic, British administration suggests diversity and experience. As a result, the British Empire today is an extraordinarily complex organization, which is more easily described than defined. Its expansion is immense; it comprises approximately one-fourth of the land surface of the earth and nearly a quarter of the earth's population.

Its parts may be found on every continent and in every ocean. There are few important maps on which a section is not printed red, the traditional color of the British Empire.

In contrast to that, there is a paragraph on the French system:

France's colonial policy has always differed from that of Great Britain. While the latter emphasized the preservation of national cultures, laws, and habits, France stressed assimilation and created disadvantages for the unassimilated. But assimilation meant abandonment of native habits and laws and the acceptance of the foreign ways of France. In consequence of this policy and an inflexible colonial administration, bloody riots and outright colonial wars had at one time or another swept all France's major overseas possessions. They were suppressed with considerable harshness, which naturally caused further friction. Later, the swift defeat of France by Germany in 1940 weakened her position considerably, and the invasion of north Africa by American and British troops further demonstrated to the natives France's fall from the role of a great power. A reconsideration of the place which overseas France was to occupy in the French Empire was therefore in order.

I continue to read:

Administratively, historically, and culturally, France's overseas possessions present considerable variety. There are the 3 administrative departments of Algeria and the 4 departments of France's prerevolutionary colonies, Guadeloupe, Martinique, Réunion, and French Guiana. These seven departments are considered part of France proper and are therefore under the Minister of the Interior.

In view of our own experience, when we contemplate and consider the experience of the French and their attempt to integrate Algeria and make it a part of metropolitan France, it is clear that that in itself does not necessarily seem to be the proper solution. In North Africa we see a situation somewhat similar to that in Hawaii. The French in Algeria, known as Colons, went there from France, and they are the dominant group. Similarly, a large number of American citizens or descendants of the early missionaries live in Hawaii. So there is some similarity of relationship; yet the relationship has in no wise been as satisfactory as the relationship of the British Parliament with the self-governing dominions of the British Commonwealth.

I do not wish to leave the impression that I think everything Great Britain has done is correct. We know she has made mistakes, but I think it will be admitted, Mr. President, that Great Britain has shown a great talent for government. Great Britain has managed to create all types of governments, and has shown a great genius for government. I submit that her experience in this field seems to indicate that the wiser course for us to follow at the present time is to create what we call a commonwealth status for both Hawaii and Alaska.

It has been stated that it is a discreditable status, that it confers only second-class citizenship. Many of us have visited countries composing the British commonwealth, such as Canada, Bermuda, and others. I have yet to find any citizen of Canada or of Bermuda expressing in the slightest degree any feeling of inferiority with respect to his status as compared with the status of an inhabitant of the British Isles. I think it is a completely false issue. There is no reason why the citizens of Hawaii under a commonwealth status should feel inferior to citizens of the mainland.

Mr. MONRONEY. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. MONRONEY. Is it not a fact that through the long years of British history people who reside in overseas areas have realized that their problems were more or less local in nature as to self-government and interdependent with reference to the strength of the homeland in the British Isles, and they do not expect or demand the right to be the tail which wags the dog of the British Empire?

Mr. FULBRIGHT. That is correct. They recognize the practical facts of life and that the conditions in their respective areas, scattered all over the world, are very different. It would be impossible today, I think, for members of the Parliament in London to understand and to legislate intelligently for all those various areas.

With reference to Hawaii, there are a few Members of this body who have spent possibly a week there. It is customary with most of us to attempt to acquire very quickly knowledge of a complex situation. We expect to legislate, and we shall have to legislate to a far greater degree than we now do. Our interests are largely in the military aspects of Hawaii, but I think we will become involved in a much more intimate way in studying problems in Hawaii, and when we do, we will find them very different from mainland problems. We are going very far afield if we take into the Union as a State a subtropical community where a great variety of citizens live. I do not mean to give the impression that they are inferior in any way; they are simply different.

Mr. MONRONEY. Mr. President, will the Senator from Arkansas yield further?

Mr. FULBRIGHT. I yield.

Mr. MONRONEY. Would not the Senator say that with a provision in the bill that all revenue originating in the Territory shall be levied by their own legislature, which shall also determine how it shall be spent, and otherwise granting the right of complete self-government, a commonwealth status would serve better to give them a greater degree of self-determination?

Mr. FULBRIGHT. I believe that to be true. This statehood proposal constitutes the first break in our traditional policy with reference to noncontinguous territory. Its adoption would set a precedent which may gradually be extended in this field, and I do not think that in the long run it is a wise course to pursue. We should give them self-government. They understand their problems better than we shall ever understand them.

Mr. MONRONEY. I agree with the Senator.

Mr. FULBRIGHT. They know better than we do what should be done to solve their problems. I think the Senator from Oklahoma will agree that he has all he can do to keep up with developments in his own State, as is the case with me. Yet we are called upon to vote on this issue.

Mr. MONRONEY. At that point, would not the junior Senator from Arkansas say that while Commonwealth status would serve the islands better, it would also be better for us? To have a high degree of self-government in the overseas area would not change the historic pattern of the United States whose problems are distinctly our own and should not be subjected to the insular viewpoint that would obtain in Hawaii or in Alaska, which are far removed from the continental land mass of the United States.

Mr. FULBRIGHT. The Senator is absolutely correct. That is the other side of the coin. The Senator knows that in this country and in many other countries divisions in parliamentary bodies are often very close. In the Senate of the United States there is a difference of one between the majority and minority parties. We would not expect peoples who have not known the same traditions of government that we have to believe just as we do. They may be just as good. It is not a question of being better or worse. They are simply different. They do not have participation in their government in the same sense that we enjoy because of the traditions growing out of our constitutional system which have developed during the course of many years. They have a different approach to their problems. Yet, we would be accepting four additional Senators. We would be giving them a determining power in the Senate such as we have seen exercised by a few votes in the past few weeks.

Mr. MONRONEY. If Alaska and Hawaii had had statehood in World War II, when they were both in an exposed area in relation to the far eastern aspects of the war, we would have had at least four United States Senators insisting on certain measures because of their geographic location, far removed from the mainland of the United States, when the overall strategy of the war was first to knock out the armies of Germany before the final showdown came with Japan, there would have been special pleaders concerned only with their individual locations and not with the safety and security of the 48 States comprising the land mass in the mid-North American Continent.

Mr. FULBRIGHT. I think the Senator is quite right. Things could have been much worse if such a situation had existed at that time; and in the future there would be a tendency to sacrifice the welfare of the great body of 165 million persons to the interests of relatively small groups, because in the present situation, at least, the small groups would have very great power.

Mr. MONRONEY. As I said the other day in my speech, 1 vote in Hawaii would have the impact of 33 votes in New York, the largest State in the Union. It would have the impact of 22 votes in California or Pennsylvania. So 350,000 Hawaiians would be given the same power to name 2 United States Senators which fifteen million or twenty million persons in New York State or other large States have.

Mr. FULBRIGHT. The Senator from Oklahoma is quite correct.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MAGNUSON. I am certain the Senator from Arkansas would want the RECORD to show that when he was speaking, prior to his colloquy with the Senator from Oklahoma, of alien background, he was speaking primarily of Hawaii, and not of Alaska.

Mr. FULBRIGHT. By aliens I mean persons not native American citizens. I assume the Eskimos do not have the same background as to political practices or in a legal sense or in their general cultural development as we do. Their traditions and cultural backgrounds are not quite the same as or similar to those of the great body of the inhabitants of the mainland.

Mr. MAGNUSON. Of course, the Senator from Arkansas must realize that 98 percent or 99 percent of the population of Alaska are citizens of the United States, who have a background of having lived on the mainland which constitutes the 48 States of the Union, and who have gone to Alaska and pioneered in that Territory. I cannot think of any people in Alaska, with the exception of a few Filipinos who work in the canneries, and who are peculiarly adapted to that kind of work, who do not have such a background.

Mr. FULBRIGHT. Is there no native population in Alaska?

Mr. MAGNUSON. Yes; but it is a relatively small number, perhaps 1 or 2 percent. I am certain Eskimos will not present any problem with respect to the typical American tradition. The Senator from Arkansas can allay his fears on that score.

Mr. FULBRIGHT. The Senator from Washington seems to be touchy about that. It is not a question, in any sense, of being inferior to Americans; I simply think they are different.

Mr. MAGNUSON. I cannot see much difference between a Scandinavian in Alaska and a Scandinavian in Washington; they are both the same kind of people.

Mr. FULBRIGHT. Does not the Senator see any difference between an American and an Eskimo?

Mr. MAGNUSON. I think there is some difference.

Mr. FULBRIGHT. Does not the Senator from Washington see any difference between an American and a Japanese or a Chinese? I certainly would be the last one to intimate in any way that those people are inferior. I think they have different backgrounds. I think their approach to government is a little different from ours. I can see no reason why they should not go through a much greater period of self-government, and have complete self-government, not the kind of paternalism the United States now exercises.

We speak about the Territories having had a long period of tutelage, but I do not believe they have had complete responsibility. They have not elected their own governors or had the responsibility of managing their own affairs. I do not see anything in the argument which opposes giving them complete self-government as an alternative to statehood. It can be a step to statehood, as well as to complete independence, as was the case with Canada.

Mr. MAGNUSON. Mr. President, will the Senator further yield?

Mr. FULBRIGHT. I yield.

Mr. MAGNUSON. The Senator's statement in that regard may properly apply to the Hawaiian Islands. I forget the percentage, but is not a very large percentage of Hawaiians non-American?

Mr. SMATHERS. Mr. President, if the Senator from Arkansas will yield, I shall be glad to supply the percentages.

Mr. FULBRIGHT. I yield.

Mr. SMATHERS. In Alaska the 1950 census showed a population of 120,643, of which some 31,000 were Aleuts, Indians, and Eskimos. Less than 100,000 of the population are of the Caucasian race. The remainder are Indians, Aleuts, or Eskimos.

Mr. FULBRIGHT. And they are a very fine people.

Mr. SMATHERS. They are a very fine people.

The figures for Hawaii come from the Honolulu Star-Bulletin, published by the Delegate from Hawaii, and they show that the Hawaiians, including part Hawaiians, comprise 19 percent of the population; Caucasians comprise 14 percent; Chinese, 6.9 percent; Japanese, 40.6 percent; and Filipinos, 13.5 percent. In other words, approximately 80 percent of the population of Hawaii is Oriental in origin or background.

I thoroughly agree with the Senator from Arkansas that that does not mean they are not a wonderful people or a good people. But when someone says, as Delegate Farrington is reported to have said in this morning's Washington Post and Times Herald, they are not of Oriental background, he is flying in the face of his own figures, because the facts are as I have stated them.

Mr. FULBRIGHT. I would not say that Oriental people or any other people are not capable of developing an effective, satisfactory system of self-government. The British have demonstrated that with all types of people. I have before me a fairly recent list showing the great variety of people in the various British possessions.

Of a total population of 603 million, 529 million are in independent countries, ranging all the way from Canada, Australia, South Africa, India, Pakistan, and Ceylon, with complete independence, down to the smaller possessions. I shall not read them all. The British have done a remarkable job. They have demonstrated from experience that such a status is far more satisfactory to the people involved.

Actually, in colonies such as Bermuda, which does not have complete independence, as well as in units having commonwealth status, the people are happier than are the people in the French integrated departments, such as Algiers. I do not wish to be too critical of the French. They have followed what they thought was the logical course. It seemed very logical to the French to allow Algiers to have senators and representatives in the Parliament in Paris. But any of us who read the newspapers at all know that it has brought confusion and continuing friction. If Algiers had had complete local self-government, in which it could have developed a fairer, more equitable sharing in government than it has today, in my opinion, it would be better off.

The account in the book which I have mentioned, which I shall not read, indicates that the friction continues partly because of the influence of the 400,000 Colons, as they are called, who are Frenchmen living in Algiers, who tend to dominate the country. They have never gotten together and created a local self-government as effectively as have the British in most of their possessions.

With few exceptions, I think the British have created a tolerable and acceptable government in their various possessions.

Not that such a government has not, of course, been subject to criticism. It was not acceptable to any of the Thirteen Original Colonies which are now the United States, because they broke away from the British Government. I do not mean to leave the impression that the British forms of government always have been perfect. But, on balance, as we look at the British forms of government in the light of several centuries of development and relationships, they have proved to be very satisfactory.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MAGNUSON. I wish to place in the RECORD the number of Eskimos living in Alaska. When the Senator from Florida speaks of Aleuts and Indians, he should remember conditions which existed in all the Western States, where there were large numbers of Indian natives. These Aleuts and Indians in Alaska are likewise natives. That is not generally true of Hawaii. Oriental people went to Hawaii, and it was necessary to absorb them.

Mr. FULBRIGHT. I hope the Senator from Washington does not think at this late date the problem of natives in Alaska and Hawaii should be solved in the way it was solved for the large number of Indians in the Western States.

Mr. MAGNUSON. We took in the Indians when the States were admitted. I suppose there were some Indians in Arkansas; I know there were a large number in Oklahoma, when Oklahoma came into the Union.

Mr. FULBRIGHT. I think one of the blacker chapters in United States history is the way the Indians have been treated.

Mr. MAGNUSON. I did not say that was the way the Indians and Aleuts in Alaska would be treated.

Mr. FULBRIGHT. The inference was that the natives of Alaska would be disposed of as were the Indians in the western area of the United States.

Mr. MAGNUSON. No; I did not intend to leave any such inference.

Mr. FULBRIGHT. The Indians of the West were not absorbed. States were made from the Territories in which they lived. But I do not wish to recall that sad chapter now.

Mr. MAGNUSON. I intended to leave no such inference at all; I was merely

pointing out that there are natives in Alaska, and the natives in Alaska probably would be in no greater proportion than the proportion of Indians who were absorbed into the population of Kansas or other Western States when they they were taken into the Union.

I agree that Hawaii presents a different situation.

Mr. FULBRIGHT. They will be much better able to look after their own interests in Alaska, for example, if they have local self-government, and can feel that it is their government, and that they will be able to participate in the election of their Governor. After all, they compose almost 20 percent of the population, and they could have a considerable influence, if they wished to exercise it.

Mr. MONRONEY. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield to the Senator from Oklahoma.

Mr. MONRONEY. Is it not a fact, from a practical standpoint, with all due regard to the great enthusiasm which my distinguished friend, the Senator from Washington, has for the Territory of Alaska, that that land mass, large though it is, is going to get lost somewhere in the 100 yards between the Senate and the House of Representatives, and that the prospect of getting 2 Republican Members of the United States Senate from Hawaii is the main reason why the pending bill is now before the Senate, that Hawaii will be properly taken care of, and that Alaska will be left out of the bill when it emerges from the conference with the House? We are told that definitely the House will never pass a bill granting statehood to Alaska; that the skids are greased to grant statehood to Hawaii; and that somewhere between the Senate and the House that rather large Territory will somehow get lost. So we need not worry so much about the Aleuts, or public housing, or igloos for Eskimos in the Aleutian Islands, our problem is concentrated on the proposal to go 2,000 miles offshore, across international waters, to set up a State which, in a closely divided Senate, could be the tail that wags the dog in a Union of 48 States with a population of approximately 165 million.

Mr. MAGNUSON. I think the Senator from Oklahoma's present political analysis of the situation is correct. However, it is hoped we may be able to change the apparently avowed policy on the part of those who brought up the Hawaiian bill. I should like also to correct the Senator in one respect; there are no Eskimos on the Aleutian Islands.

Mr. FULBRIGHT. I wish to say to the Senator from Washington, in all seriousness, that I do not think he should favor statehood, in view of the very serious question in the minds of a very large number, if not a majority, of Senators. The aspect which is decisive in my mind is that if this step is taken, it will be irrevocable. The Senator from Washington will admit it would mark a rather drastic change in our traditions. Once taken, there would be no retreat. One of the principles of this Government is that whenever there is a large group, as many as even one-third, plus one, in many instances, opposing a proposal such as a constitutional amendment, we will say, "Stop; we will not do it"—for very good reasons.

With regard to the present question of statehood, there are more than a third, possibly close to a majority, of the membership of this body who have a grave question about the wisdom of the proposed step. It would be an irrevocable step; we could not go back.

In contrast to that step, if the commonwealth status is adopted, I think it cannot be denied, in all fairness, that it would permit experience in government in those Territories. It would also accomplish other purposes. It would afford an opportunity for the development of political talent and genius in the two commonwealths which would be created.

If the people of Hawaii and Alaska under a commonwealth status should prove themselves really effective in managing their political institutions, should show a capacity to develop real talent and leaders, and should develop an effective government, then, if they should later still insist that they wished to be States, after having demonstrated a capacity to run their affairs very efficiently, I am sure their representatives could come to Washington and get a far greater following in their behalf than they have at present.

I do not for a minute take the view that the two Territories should never be States. I do not know, but perhaps at some time in the future we will change our whole approach to this matter. We do not know what our relations will be with other governments, for example, our relations vis-à-vis Russia.

The Senate is being asked to take an irrevocable step which will change our traditional concept of what constitutes the United States of America, and once such a step is taken we cannot turn back.

What the sponsors of commonwealth status are asking the Senate to do is take a step which, it seems to me, is along the road toward the development of political wisdom and a sound political system in the two Territories. If the Territories accomplish such a step successfully, and if, after due and further consideration of the problem, the Senate and the House should come to the conclusion that it would be advisable to have the two Territories become States, that could always be done. If commonwealth status were granted, it could always be corrected if it turned out to be a mistake; whereas under the proposal for statehood, if the advice of those advocating statehood should be followed, and statehood were granted, we could not retrace the step.

Mr. MONRONEY. I appreciate the statement of the Senator concerning the irrevocability of granting statehood, and what he has stated would be the situation in the event commonwealth status proved to be successful. In that status revenues arising within the Territories would be left within the areas in order to develop a high type of economy and prosperity. We do not know what the future will hold, or what other great governments may disintegrate, or what other countries in other areas in the world may seek to associate themselves with the United States. If we have experience with overseas areas under a commonwealth status, we will not be embarrassed by such areas as Guam, the Marianas, the Virgin Islands, or any other territorial groups which might later want to become associated with the United States as States, along with the 48 land-union States.

Therefore, I think that at this point in our history, when we may be setting an irrevocable pattern for admission as full States of far-off overseas areas, it is time for us to stop, look, and listen, and to make sure, while there is still time, whether we want to remain the United States of America in a closely knit contiguous land mass and land union, in the midsection of the North American Continent, or whether we want to become a group of associated States of America, disregard the question of contiguity and ignore the close association with a continuous history and with traditions and governmental problems, economical and political, that the 48 States have always enjoyed.

Mr. FULBRIGHT. I think the Senator is absolutely correct.

Mr. CARLSON. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield to the Senator from Kansas.

Mr. CARLSON. I was interested in listening to the argument in favor of delaying statehood. I appreciate very much the statement of the Senator regarding the irrevocability of the action once statehood is granted. I think it is a fact that it has been 70 years since Alaska became a Territory and 54 years since Hawaii became a Territory. It seems to me that is a rather long period to require such Territories to serve what has been called tutelage for statehood.

In Kansas this year we are celebrating the 100th anniversary of the admission of Kansas as a State. Kansas was a Territory only 7 years before it became a State. It seems to me that the Territories of Hawaii and Alaska have had considerable time to prove themselves.

Mr. FULBRIGHT. I think the main thing wrong with the Senator's argument is that the Territories have not been given the degree of self-government and the opportunity to develop their own governments they should have had. I myself regret that they were not a long time ago given the right to elect their own governors and manage their own fiscal and other affairs or at least given a larger degree of responsibility in such matters. I think they would have developed better if they had been given such rights. Those advocating statehood would be on much stronger ground if during the last 25 years, or even less, Hawaii had had commonwealth status. We would now be in a better position to judge whether it would be entitled to statehood. My opinion is that the Hawaiians themselves would be very content with commonwealth status. Has any Senator present heard any complaint because Canada has not been integrated into the British Union as a shire in the United Kingdom? I never hear such a complaint. All those who have

gone through that development are, to my knowledge, quite satisfied with it.

As of today, those who are complaining and who are the source of difficulty reside in parts of North Africa, and have a relationship different from that under a commonwealth status. In fact, their status is somewhat similar to the one which some persons wish to create in this instance by making these Territories into States.

Mr. President, I think the real answer to the desires of many of these people, especially the people of Hawaii—because Hawaii is more highly developed both economically and, I think, politically—and to their urge for participation in government would be to let them have commonwealth status. If, after they had had commonwealth status for several years they still wished to become States, such a desire certainly would then be more worthy of consideration than at this time, when they have not exercised such powers.

Mr. SMATHERS. Mr. President, will the Senator from Arkansas yield to me?

The PRESIDING OFFICER (Mr. BEALL in the chair). Does the Senator from Arkansas yield to the Senator from Florida?

Mr. FULBRIGHT. I yield.

Mr. SMATHERS. I thoroughly agree with the statement the Senator from Arkansas has made, namely, that undoubtedly Hawaii and Alaska would be better off at this time if they had previously been permitted to have the form of government we now recommend for them, under the commonwealth-status proposal.

However, let me point out that the Senator from Kansas should never feel apologetic for the treatment given by the United States Government to Hawaii and Alaska. For instance, when Alaska was admitted as a Territory in 1867, she had a total population of 29,000 approximately 27,000 of whom were Indians and Eskimos, the remainder included 1,422 of mixed racial stock, 483 Russians, 156 Americans, and 200 foreigners, non-Russian or non-native.

Let us consider the progress Alaska has made since that time. Annually the Congress has been appropriating an average of approximately $120 million for Alaska, and has been building up Alaska to the point where she can, with some degree of justification, request from us a status different from the one she has thus far had.

When we consider the situation of Hawaii, we find it to be much the same. In 1952, the United States Government gave Hawaii $287 million; in 1951, $247 million; and so the appropriations go. Hawaii has been prospering greatly under the system of government which thus far we have given to her.

So I do not believe we should in any event apologize for the treatment those Territories have thus far received. Certainly we have done right by them.

I agree with the basic principles enunciated by the Senator from Arkansas, namely, that the time has come when these Territories are entitled to elect their own officials. That is what I understand the commonwealth-status proposal is designed to do as well as to aid them in the development of their resources.

Mr. FULBRIGHT. It is. When commonwealth status was proposed by some of us previously, it was not brought to a final decision. I believe this is the proper time to deal with it. Of course the war delayed action on it for quite a time.

Mr. MAGNUSON. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. MAGNUSON. The figures cited by the Senator from Florida are really for expenditures for our own benefit, because both Alaska and Hawaii constitute our frontier.

On the other hand, I should like to obtain from the Appropriations Committee the figures for strictly civil appropriations, so that we might ascertain how well these two Territories have been treated. Certainly most of the expenditures thus far referred to have been for military purposes.

Some persons have said—many when speaking in jest—that if Alaska cannot become a State after having had more than 80 years of probation, perhaps she should be allowed to form the independent country of Alaska, inasmuch as by such means Alaska would, no doubt, under our foreign aid program, be able to borrow much greater sums that she has ever been able to obtain as a Territory. In that way we are told that Alaska would be much better off. I believe there is some truth to that observation.

Mr. FULBRIGHT. If Alaska and Hawaii became States, I believe it would be a long time before they would be able to obtain Senators to work in their interest as well as the 2 Senators from California now work in behalf of Hawaii and the 2 Senators from the State of Washington now work in behalf of Alaska. Certainly it would take a long time for them to obtain the services of Senators with as much prestige and influence. So these Territories would be giving up a great deal if they became States.

All of us admit, as the Senator from Washington has stated, that there are great natural resources in Alaska; and if Alaska is given some incentive to develop her own government, perhaps she will develop just as the various States have.

The Senator from Kansas has said Kansas has been a State for almost 100 years, and that we should consider the development which has occurred during that period. Mr. President, I do not know why Alaska cannot develop likewise, if she is given an opportunity to govern herself and to solve her own problems.

The distinguished Senator from Washington [Mr. MAGNUSON], great authority that he is in this field, also has to look after the State of Washington. In fact, his work in the interest of Alaska adds a great deal to his duties and burdens. I can understand that he would desire to be relieved of those additional burdens and duties, and I believe the best way for that to be done is for Alaska to be given the right of self-government, rather than to be made a State.

As I have said, the commonwealth-status proposal will, if adopted, not be an irrevocable one. In my opinion, that feature is decisive and rather controlling in connection with the pending question. If those who advocate the commonwealth-status proposal are wrong, and if their proposal is put into effect, the mistake—if it proves to be one—can be corrected next year or the following year.

On the other hand, if the proponents of the original bill are proved, by experience, to have been mistaken, nevertheless, once statehood has been conferred upon these Territories, it will be impossible to make any change. After statehood was conferred upon them, even if it proved to be a mistake, we would have to continue to follow the wrong track; and in that event no one could foresee the ultimate conclusion.

Mr. MONRONEY. Mr. President, will the Senator from Arkansas yield to me at this point?

Mr. FULBRIGHT. I yield.

Mr. MONRONEY. Will not the Senator from Arkansas agree that, once statehood were conferred upon Alaska and Hawaii, it would be very likely that the present statehood proposal would not be confined to the two Territories of Alaska and Hawaii, but eventually it might be extended to many other areas?

Mr. FULBRIGHT. Yes. For instance, if a Senator happened to take a liking to Guam he might introduce a bill calling for statehood for Guam. Certainly it would be very difficult to maintain a successful resistance to the enactment of such a bill, if the advocates of such a proposal had, as a precedent, the granting of statehood to Hawaii and Alaska.

Mr. MONRONEY. Can the Senator from Arkansas state any reason why Puerto Rico should be treated differently from Hawaii and Alaska? After all, our country has had a number of years of experience with Puerto Rico. Should she be treated differently simply because she has been an unincorporated Territory, whereas Alaska and Hawaii have been incorporated Territories? In my opinion, it will take a long time to convince many of the people of the United States of the inherent justification for making any such differentiation.

Mr. FULBRIGHT. Certainly that is true. Some persons say Puerto Rico does not wish to have statehood, and seem to regard that situation as the determining factor. However, if we accept it as such and as a valid reason for making such a difference, then any Territory or area which wishes to attain statehood should be allowed to do so.

Mr. MONRONEY. Some persons seem to take the position that statehood should be sent, special delivery, to any group of people who wish to have the Territory or area in which they live become a State. On the contrary, I believe it is for the 160 million people of the present land-union of States to decide whether such additional areas should become States. Under our proposal, in the meantime, those living in the Territories will be given the right of self-government.

Mr. MAGNUSON. Mr. President, if the Senator from Arkansas will yield to

me, let me say that I admit there are some advantages to commonwealth status. I assume that Senators who favor the commonwealth-status proposal do not wish to have Alaska and Hawaii have representation in the Senate of the United States. Is that correct?

Mr. MONRONEY. No. We are saying that these 2 Territories have enjoyed a completely different status from that of the present land-union of 48 States, and we do not wish these Territories to be associated any differently with the 48 land-union States. We wish these 2 Territories to have a direct relationship with us, but without our beginning to build up an empire which ultimately might become so large that the tail might be found to wag the dog—or, in short, the other areas might eventually control the present land-union of 48 States.

Mr. ANDERSON. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. ANDERSON. I wonder whether the fact that in various decisions the Supreme Court has recognized that there is a difference in the status of these Territories, might help in the consideration of this case.

Mr. FULBRIGHT. I do not say there is no difference. I say the difference is not relevant or meaningful. It has nothing to do with the question of whether these two Territories should be granted statehood.

Of course there is a difference. These two Territories are different in the racial characteristics of their people and in many other ways. I must say that I can see no good argument upon which to resist Puerto Rico if she wishes to become a State, and if we think it is a good idea. I think the Puerto Ricans are convinced that they do not want to be a State, and we do not want them to be, so everyone is happly over the commonwealth status.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. ANDERSON. It so happens that I was a member of the committee when the Puerto Rican situation was considered. I happened to be in charge of hearings when we considered the situation in Guam. It is not merely a question of what the people themselves desire. However, the situation is utterly different in the case of Hawaii and Alaska. I think the difference is brought about by the fact that they both became incorporated Territories, and were incorporated into the rest of the Union. The situation is entirely different in the case of incorporated Territories. If Guam asked for statehood, no one would say that it should be granted merely because the people themselves want it, because Guam has not been an incorporated Territory and neither has Puerto Rico.

Mr. FULBRIGHT. For the life of me I can see nothing decisive about a Territory being incorporated, in relation to statehood. It is up to us to make the decision as to whether or not it is wise, considering the long-term security, prosperity, health, and satisfaction of the people of the 48 States, to grant statehood to a Territory.

From the standpoint of efficiency and the welfare of the people themselves, I believe that they would be far better off by reason of having local control. I do not quite understand the great insistence upon the argument that they would be happier if they were States than they would be under a commonwealth status, with control over their own affairs.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. CORDON. The Senator from Oregon would like to suggest that there are all the differences in the world between the situation in Hawaii and Alaska, on the one hand, and that in Puerto Rico on the other. The situation in Puerto Rico was such as to require, if there were to be more than dependency rights in Puerto Rico, the adoption of some form of government such as was finally devised under what we now know as the commonwealth. That question was before one Interior and Insular Affairs Committee after another for years. This Government found it necessary, among other things, to grant to the people of Puerto Rico all the taxes of any and every character which were collected under the laws of the United States. Even then it was difficult for the people to maintain their own economy.

We must remember that on the island of Puerto Rico there is more than one person to the acre of land, and that most of the land is mountainous. There is very little that is available for agriculture. There are approximately 2,500,000 people and less than 2,500,000 acres. The result is that there was neither an adequate economic background at the time, nor was there any potential economic background in Puerto Rico. It was necessary, in a few words, that this Government bail out Puerto Rico in some way financially. That was one reason why the type of government which we now know as the commonwealth was devised.

In Hawaii there is at present a sufficient economic background. In Alaska there is a potentially sufficient economic background—neither of which exist in Puerto Rico. At the present time Federal internal-revenue taxes are assessed and collected in both Alaska and Hawaii, and those taxes are paid into the United States Treasury. For years before we granted commonwealth status to Puerto Rico, the Puerto Rican Government had had the full advantage of all such taxes, which were expendable and expended in Puerto Rico. So there is little, if any, basis for comparison of the economic factors, as between Puerto Rico on the one hand and the two Territories on the other; and when we leave the economic factors, there is no basis for comparison whatever.

Mr. FULBRIGHT. Am I to understand from the Senator's statement that he believes statehood should be granted because such action would greatly benefit the economy of the United States? Is that his reason for it? Is it to be done for our benefit?

Mr. CORDON. The Senator from Oregon takes the view that one of the first criteria which it is neceessary to consider in connection with statehood is the capacity of the area to pay the overhead involved.

Mr. FULBRIGHT. That may be a good reason, if for other reasons we want a Territory to be a State. What I am trying to get at is this: Why do we want to add another State? Is it only because the area is rich? Surely there is some other reason. What is it?

Mr. CORDON. The Senator from Oregon will be glad to give his reason. It is the same reason that has brought 48 States into the Union, one after another beginning with the first 13; and in the opinion of the Senator from Oregon, the same reason which brought the first 13 in is still applicable. We have made the people of Alaska and the people of Hawaii citizens by giving them the Territorial status of government. Under the decisions of the courts we have given them the benefit of the Constitution. The only thing left, if we are to give them what we ourselves claim is our God-given right—complete freedom and complete equality—is to give them statehood. The question is not what it would gain for us. In my humble opinion the question is what we owe to them.

Mr. FULBRIGHT. What we owe to them?

Mr. CORDON. Yes.

Mr. FULBRIGHT. Then we are not doing it for our own benefit, but merely to discharge some debt which the Senator thinks we owe to them.

Mr. CORDON. In the first instance, exactly. Incidentally, we also gain some benefit when we do that. We could not release either Hawaii or Alaska. We could not say to either today, "We will give you your choice. If you desire it, you may have your independence, or we will give you statehood." We could not give them that choice, because the safety of the United States is dependent upon the military holding of both Alaska and Hawaii. So we must keep them.

Mr. FULBRIGHT. If we owe them a debt, how can the Senator resist the argument that we owe the same debt to all the other possessions? If the proposed grant of statehood is on the basis of a moral obligation, I do not see how we can limit it short of the entire human race. Morality has a universal application. If we are that good, we ought to take them all in, ought we not? We certainly could not stop short of taking in Guam. How does the Senator justify stopping short of Guam?

Mr. CORDON. The Senator is now discussing an utter absurdity, as he well knows.

Mr. FULBRIGHT. I agree with the Senator that it is an absurdity.

Mr. CORDON. It is a nice basis for argument, but it has no meaning, and no applicability whatever to the situation.

Mr. FULBRIGHT. I feel that that is exactly true with regard to the hypothetical idea of a debt which we owe them. I think the basis on which we should consider the question is primarily

the effect upon this country. In my view, the real interest is that of the 165 million people who are in the 48 States. If the Senator can prove that the proposed grant of statehood would be of real benefit to this great organization of 48 States, I am open to argument. I do not accept what the Senator rightly terms an absurdity, namely, the idea of a debt which we owe those people to grant them statehood. There are certain assumptions in that argument that I do not go along with at all. I do not see how the Senator can stop short with only these two Territories, if that is his basis.

Mr. CORDON. The Senator from Oregon used the term "absurdity" with respect to the absurd argument which was made with regard to extending statehood to the world.

I should like to suggest to the Senator from Arkansas, who very frankly indicates that the one basis on which he would consider any future statehood legislation is that of how much good it would do the present 48 States—and therein the Senator from Oregon differs with the Senator from Arkansas—that, taking that wholly selfish viewpoint, let us bear in mind that we do need to keep both Alaska and the Hawaiian Islands as military outposts; let us bear in mind that the people of those two Territories do have the rights of citizenship and may come and go in our country as they wish, so in that respect we are not opening any doors to them; let us bear in mind that it is worthwhile to have satisfied and patriotic citizens in the two outposts which are so valuable to the security of the United States; let us bear in mind that the United States has long said to the rest of the world that we believe in self-determination and in the right of people to govern themselves; and let us bear in mind that the rest of the world may have its eyes focused on both Alaska and Hawaii, and may well raise the question: "Why do you preach one philosophy while you practice another?"

Mr. FULBRIGHT. I can only say that those are very fine moral principles. They are very logical, and they resemble the arguments made by the French. It is very similar to the attitude the French assumed. The fact is that in the experience of the human race, the commonwealth idea as developed in England, with respect to the welfare and happiness of the people in the various areas, has proved the superior effectiveness of that system over the years.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. The Senator from Oregon is right when he says that among the important considerations are the happiness and loyalty of the people of Alaska and Hawaii. It is my considered opinion that they will be happier if they have control over their own affairs under a commonwealth status as proposed in the bill I have mentioned. In the long term they will be happier and will be less disappointed than they will be if the Territories are made States and they send to Washington their representatives, who will find out how very little they can do.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I am happy to yield once more, but I promised to yield to the Senator from Florida.

Mr. CORDON. I should like to ask a question with respect to a point he has brought out. By yielding at this point continuity of debate might be aided. The Senator seeks to make a comparison between the proposed commonwealth amendment which is now before the Senate and the commonwealth status which now exists in the British community of nations. The Senator, being a great student of British and of other ways of life, is fully aware of the fact, is he not, that British commonwealths have the right to secede from the community of nations at any time they desire to do so? Is the Senator aware of that fact?

Mr. FULBRIGHT. I would say that within that so-called commonwealth of nations there is every degree of independence and dependence. It varies all the way from the complete independence and sovereignty of Canada and Australia down to the small dependencies which have none of those freedoms. There are all degrees of dependency in the British commonwealth of nations.

Mr. CORDON. The Senator from Arkansas has spoken of the proposed commonwealth status for Hawaii and Alaska. That is what I am referring to.

Mr. FULBRIGHT. We make no secrecy about the proposal. It is like that of Puerto Rico. We would give the people of Hawaii and of Alaska a high degree of self government, in which they would control their own affairs much better than Congress could or has already done.

Mr. CORDON. Of course the Senator realizes that in the British community of nations there is the right of secession; is that correct?

Mr. FULBRIGHT. No; any more than Bermuda has the right of secession. Bermuda has a very high degree of local self-government; but, she does not have the right to secede.

Mr. CORDON. Mr. President, will the Senator yield for a question on the same subject?

Mr. FULBRIGHT. I am not arguing on the subject of taxes. It is perfectly all right with me that they should keep their taxes. On the other hand, in many cases I believe we could reach an equitable distribution of some of the burdens. For example, if they wanted funds for the construction of highways, or if they wished to share in some of the appropriations for highway construction and therefore wished to pay Federal gasoline taxes, and so forth, there would be no difficulty about that. The main thing is that they would run their own affairs, and the only reservation would be on their power to conduct foreign relations and with respect to the military.

There is an example in the British commonwealth of nations, Rhodesia, the situation of which approximates almost that which would obtain in the Territories of Hawaii and Alaska if they were to become commonwealths.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. SMATHERS. The question has been raised that we owe the people of Hawaii and of Alaska a moral obligation. I am sure that anyone who will take the trouble to examine the debates which took place on the floor of the House and subsequently on the floor of the Senate at the time both Alaska and Hawaii were taken in as Territories, will find that at no time was any representation made that these Territories were to become States. I should like to read a very short quotation as to what the chairman of the Foreign Affairs Committee of the House had to say on that point at the time the Newlands resolution concerning the annexation of Hawaii was discussed on the floor of the House on June 11, 1898. What I am about to read confirms what the Senator from Arkansas [Mr. FULBRIGHT] has said on the subject of moral obligation.

I am quoting from the CONGRESSIONAL RECORD of June 11, 1898, at pages 5775 to 5776.

Mr. Clardy, a Representative from South Carolina, stated:

> The gentleman has very interestingly and very instructively explained various features of this question, but there is one point that I should like to know still further about, and that is this: Suppose these islands are received into the United States under this resolution, what does this administration intend, or what do the people of the United States intend, to do with them? Will they be admitted as a State? It seems to me that is a very important question.
>
> Mr. HITT. I am not a mindreader, and the Almighty alone can answer what is in men's minds.
>
> Mr. CLARDY. The gentleman ought to have some idea of what the Government intends to do.
>
> Mr. HITT. You will have to find that out from other sources. By the terms of this resolution, all such questions will be determined by Congress, and Congress will and should do what the American people want done. The President will have no power over the subject.

I believe that statement clearly demonstrates the fact that no promise was held out to these people, even at the time the Territories came into our possession. The promises arose subsequently in political platforms when the various candidates were trying to get the votes of delegates to the conventions. They said, "If you will be for us, we will advocate statehood for you."

In the final analysis, it is up to Congress to determine what the proper course of action is at this date, in the light of the history of the United States of America as we know it.

Mr. FULBRIGHT. The Senator is correct. There is no moral obligation on this issue anywhere except in the imagination of people who wish to base it upon statements in political platforms. I was trying to point out, in view of the statement by the Senator from Oregon about our owing a moral debt to the people of the Territories, that it is apparently an assumption of such great superiority on the part of this country

that we ought to take in the whole human race into our happy family; we are so good and so great, therefore we should give this great boon to everybody. There is no such obligation at all. The question should be judged primarily upon what effect it would have on this country. So far as happiness is concerned, I am sure the people of the two Territories would be very happy under self-government in a commonwealth status.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. CORDON. I am sure the Senator from Arkansas will agree that the political status which would be created by the so-called commonwealth amendment now before the Senate would be substantially the same as the status of an organized Territory, in that there would be reserved the right, under the Constitution of the United States, to change it at its pleasure. Does not the Senator agree with that statement?

Mr. FULBRIGHT. Yes; I would say so. In other words, I made the point that we can, at any time, make Hawaii or Alaska States. Any time we change our minds and think they should be States, we can make them States. However, once that is done, if we make a mistake we cannot change the situation, and they cannot change it. If we make a mistake we and they are stuck with it, whether they like it or not.

Mr. CORDON. Does the Senator agree that with respect to Australia, New Zealand, and Canada, in the British Commonwealth, any of those countries can at any time secede and establish its own independent government? That represents the difference between the so-called commonwealth status here proposed and that of the British Commonwealths—the difference, in other words, between second-class citizenship and absolutely first-class citizenship, coupled with complete political freedom.

Mr. FULBRIGHT. It may be that I do not follow the Senator exactly, but taking Canada as an example, I consider that Canada is just as independent and sovereign a nation as we are. The relationship with Great Britain is largely an emotional one. Canadians have great respect for Great Britain, and many of their institutions are similar. They can and do make decisions on any question, even with reference to going to war. They do not have to go to war.

I do not know what the Senator means by seceding. What I speak of as a commonwealth relationship is that which exists among all those countries which are generally called members of the British Commonwealth of Nations. Pakistan has a certain relationship to the Commonwealth, but is as independent for all practical purposes as is the United States. They have accepted a kind of relationship which is not based upon any right to secede or any denial of the right to secede. That does not enter into the question at all. When we speak of Bermuda, Barbados, and so on, we are speaking of possessions which are similar to Guam.

Mr. CORDON. They are not members of the Commonwealth?

Mr. FULBRIGHT. They are members of the Commonwealth so far as I know.

Mr. CORDON. I am trying to argue about political status.

Mr. FULBRIGHT. I do not think the word "commonwealth" has any particular meaning of that kind, having only one relationship and no other.

I have before me an official document from the Congressional Library containing the enumeration of all kinds of possessions, such as Canada, Bermuda, and others. We can call it something else if we like. The proposed legislation will speak for itself as to what the relations will be. It grants self-government to the fullest extent with the reservation of our control over defense and foreign relations——

Mr. MAGNUSON. And representation in the Congress of the United States.

Mr. FULBRIGHT. They have their local self-government. They run their own affairs.

Mr. CORDON. Mr. President, will the Senator from Arkansas yield further?

Mr. FULBRIGHT. I yield.

Mr. CORDON. Is the Senator aware that in this particular amendment the language is such that the people of the Territory of Hawaii or of the Territory of Alaska could be put into the position of voting to accept this particular political status, and then voting to establish a constitution, without having the slightest legal right with respect to any political status which might arise as the result of the action then taken, and that the complete power would still rest in the Congress of the United States to place any type of condition and restriction it might want to place upon both Territories?

Mr. FULBRIGHT. We have the power to approve their constitutions, which we did in the case of Puerto Rico. We, also, would still have the right, I would say, to pass upon the joint resolution as to their admission as States.

I am not disturbed about the minute provisions. If the Senator wishes to make some change in them and will suggest it, we will give it consideration. The only thing I am saying is that it is not wise as of this time to make States out of these two Territories. They should be given a high degree of self-government. Then let them demonstrate their capacity to govern themselves and their understanding of political procedures, and so forth. The people of Hawaii have a very different background from that of the people of most of the States of the Union.

Mr. CORDON. Does the Senator consider that the background of the people of the Territory of Hawaii with respect to self-government and with respect to tutelage in self-government, with respect to knowledge of self-government, and of self-administration as of now, has indicated a fairly sizable awareness of their responsibilities as a self-governing State?

Mr. FULBRIGHT. They have not had the responsibility of electing a Governor, the chief executive. We have been giving that office to persons favored by one party or the other.

Mr. CORDON. They have had to do with electing a legislature, passing laws, and living under laws, having substantially all the Government establishments of States of the Union.

Mr. FULBRIGHT. The Interior Department has run both Alaska and Hawaii to a very high degree. Certainly that is true as to Alaska, and to a very considerable extent it is true as to Hawaii. Of course, a governor has considerable influence in Hawaii. He is appointed by the majority party.

I do not follow at all the idea of saying that we owe the Territories statehood today. I think Congress should consider what is best designed to promote the welfare, first, of the United States, and, second, of course, the happiness of the people of Hawaii. We want to be fair to them. I think the recognition of differences is in no way a reflection on them. The idea of second-class citizenship is complete nonsense. I think it is the height of arrogance to assume that the only first-class people in the world are members of these 48 States. There are many people, all over the world, who are first-class citizens.

That argument is a very poor one. I am certain the people of Hawaii are fine people. They comprise the good, the bad, and the indifferent. Merely because they do not have Senators and Representatives does not mean they are inferior or second class. I cannot see how having Senators in Congress would give them a sort of aura or glory or prestige which they would not have under any circumstances. That is not the question at all. The question is whether it is best for them and best for us to violate a tradition which has existed since the United States was formed, by going far beyond our borders and integrating and bringing into the Union a community which is quite different in many respects—not inferior, but different—having different traditions, different ideas, and different cultures, perhaps in many respects even superior ones. They may understand how to live better than we do.

I often think we have gone to seed in our mechanical-gadget civilization. There is great question whether we are as wise as we sometimes think we are, for the longtime survival of our civilization. I hope we have not gone too far. But that is not the question. If once we begin to say we have moral obligations to people in matters of this kind, there will be no stopping. Moral principles are universal. If they are at all moral, they are universal in their application. If we owe the people of these Territorities any such duty, I do not know how we can get around the argument that we owe it to the citizens of Guam or any other community of like nature. I think it is dangerous to put the question of statehood on any such basis. It is just as dangerous to put it on a moral basis as it is to put farm price supports on a moral basis, or to condemn price supports because of their alleged immorality or because they may be said to be immoral or to have a bad effect on character.

Those are two points which should not be brought into this kind of argument, because they lead us into very dangerous conclusions all along the road.

We should make up our minds purely upon a limited, restricted basis, namely, the effect upon our welfare, judging it as of now, and that of the people of Hawaii.

I should say that if the statehood bill should be passed by a large majority vote, I might be wrong, but I should dislike to see this kind of decision made by a very close margin, because it is too important, mainly because the decision would be irrevocable.

I feel about this question as I do about amending the Constitution. It is necessary for us to be very careful in this kind of matter. It is not like passing a bill. It is a simple matter to pass a bill which can be repealed next week by a slim margin or with little consideration, if that is what is desired. But when it is proposed to change the Constitution—and the granting of statehood is practically the equivalent of changing the Constitution—it is such a drastic change from the status quo, from a condition in which the country has lived during its history, that I think Congress should go slow. It would be much safer to take the step of granting commonwealth status, and then to give further consideration to statehood.

Mr. MAGNUSON. Mr. President, I shall take only a few minutes. I could not resist speaking after having listened to the answer given by the Senator from Arkansas to what was said by the Senator from Oregon [Mr. CORDON] about the morality involved in this question. I may say to the Senator from Arkansas that I know of no case in which more political morality is involved than in this case.

When areas are incorporated as Territories it is done on the basis that ultimately it is intended to make them States of the Union. That is the first point.

Mr. FULBRIGHT. Mr. President, will the Senator yield, so that I may ask him on what basis he makes such a statement?

Mr. MAGNUSON. May I finish? Then I will yield.

Second, as to the political morality which is involved—and this is where the loosely used term "second-class citizens" comes from—these Territories are comprised of people who have been paying taxes without having representation. I think some political morality is involved in giving them representation, if they are to continue to be taxed. The American people themselves long ago fought the War of the Revolution over taxation without representation. When we consider other areas of the world, such as Guam——

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MAGNUSON. I will yield in a moment.

Guam is a different story altogether. It has no comparison with Hawaii and Alaska, where the people are paying taxes, but have no right to vote for either Representatives in Congress or for President. While Presidential orders can directly affect everyday the lives of the people of Alaska and Hawaii, still they have no right to say anything about whom they shall elect to issue such orders. I think there is a great deal of political morality involved in the question.

Probably it is true, and I agree with my friends, the Senator from Florida and the Senator from Arkansas, that an argument may be made as to whether the two Territories really are ready for statehood. But as to the political morality and duty we owe to those people, so long as they are taxed and pay money into the coffers of the United States Treasury, and so long as by Executive order their daily lives are controlled by the Federal Government, I think we owe them something.

Senators may disagree as to the time to grant statehood, but, as the Senator from Oregon has stated, and as the Senator from Arkansas has pointed out, the question is, Will it be good for the United States. Of course it will. What harm can it do the United States? Alaska is a community which, once it becomes a State, will pour money into the coffers of the United States Treasury, and the people of Alaska will run their own government well.

The Senator from Florida quoted Chairman Hitt, I believe, in connection with debate held when the question of the annexation of Hawaii was under consideration as to what could be promised. Chairman Hitt said that only God, the people of the United States, and Congress could decide.

The people of the United States have spoken on this issue. In polls taken on the question of statehood, approximately 80 percent of the people of the United States have been recorded in favor of statehood and real, representative government. Of those who did not speak out and say they were in favor of statehood, I think 12 percent did not know anything about it, and only 6 percent were in opposition to statehood. So the people of the United States, by an overwhelming majority, must believe that statehood for Hawaii and Alaska will be good for the United States.

I cannot see what harm will be done, with one exception. We might as well come right to the point. There are Members of the Senate who believe that diluting 96 by 4 will take away some of their power. They say that commonwealth status will give the Territories everything. It will not give them representation, and still the Territories will be taxed. Executive orders affecting them will still be issued. As the Senator from Oregon has pointed out, they still will be under the hand of Congress, because on any day in any week Congress can change their status.

At every session of Congress pressure exerted will be upon Members of Congress because of something which has happened in Alaska or Hawaii. Many efforts will be made to amend the commonwealth law. The Senator from Oregon and the Senator from New Mexico, I am certain, will agree with that statement. I suppose that half the trouble in the Committee on Interior and Insular Affairs will stem from those who will want to change the commonwealth status.

I think all of us want to legislate in the interest of the people of the United States. I think all of us can point out and enumerate the great number of benefits which will accrue from statehood. I have yet to have anyone point out to me what harm will be done the United States by granting statehood to these two Territories. The argument will be made by some Senators that granting statehood will dilute the power of United States Senators. It will not dilute their power at the expense of the people of the Territories who still will be taxed.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MONRONEY. The Senator does not mean to say, does he, that it would not dilute the voting rights and equality of the people of New York, California, Pennsylvania, and other States?

Mr. MAGNUSON. That is correct.

Mr. MONRONEY. Then the Senator would be giving to the people of the Territories not merely representation, but overrepresentation by 33 times.

Mr. MAGNUSON. Of course, the Senator's figures, I assume, are correct. But the same was true when Nevada, New Mexico, and my own State of Washington were admitted to the Union; and it is what our Founding Fathers wanted to have.

Mr. MONRONEY. Did our Founding Fathers wish to have us go 2,000 miles overseas and to grant the same equal representation after we had filled the gaps of the land mass?

Mr. MAGNUSON. The Founding Fathers established a framework within which States could be admitted after they had been made Territories.

Mr. MONRONEY. Is there anything in the Constitution which indicates that the Founding Fathers had the faintest dream of an overseas empire, which would have equal representation and voting rights with the States of the United States?

Mr. MAGNUSON. I do not suppose they considered the situation in those terms, but I do not think they dreamed much about the State of Washington or the State of New Mexico. There was a quotation from a statement by Daniel Webster in a famous debate, in which he said he did not think the Union should extend beyond Massachusetts.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. ANDERSON. Is it not possible that when the good State of Oklahoma was admitted to the Union, there was a dilution of the strength of the other 90 Senators?

Mr. MAGNUSON. Of course.

Mr. ANDERSON. There was a dilution of the strength of the Senate by the addition of two Senators from Oklahoma. There was a little reduction in the power of all Senators, but no one stopped at that. Later the States of New Mexico and Arizona were admitted to the Union, and their admission diluted the strength of New York, Pennsylvania, and the other States still further. But I have a notion that prior to the granting of statehood no one from either New Mexico, Arizona or Oklahoma ever argued that such dilution would be bad.

Mr. MAGNUSON. I am not familiar with the debates, but I am certain the Senator from New Mexico is correct.

Mr. MONRONEY. I am sure the Senator would not say that the filling in of the gaps within the land mass by the admission as a State of Washington, Oklahoma, or Nevada, was not an important part of the integration of the Central North American Continent, which constitutes the greatest land mass of contiguous areas having a common interest, and a common tradition and history and possessing the same ideals of freedom. But when it is proposed to leave the contiguous mass and go 2,000 miles overseas, do we not have a right to survey and see if there is not a different question involved than there was in filling the continental gaps?

Mr. MAGNUSON. I agree with the Senator from Oklahoma that there is a different geographical situation, but I think that is a condition which might be far less important than were conditions at the time other States were being admitted. Communications and transportation have made different parts of the whole North American Continent closer today. I venture to say it is easier to get to Alaska and to know what is going on there, or have communication, politically and otherwise, with Alaska, than it was 50 years ago to have communication with the State of Illinois or the State of New Mexico.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield to the Senator from New Mexico.

Mr. ANDERSON. The Senator probably realizes that when California came into the Union in 1850, first approval of the action was not given by the United States Senate, but by a general who was out there. He was the first one who recognized California as a State, because it took too long to get word to and from Washington. Strategically, it was necessary to recognize California as a State. The United States Senate confirmed statehood, but it was a general who first recognized that California had become a State. Today one can fly to Alaska in from 24 to 36 hours.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield to the Senator from Florida.

Mr. SMATHERS. The Senator has stated we have a moral-political obligation or a political-moral obligation to the Territory of Hawaii and the Territory of Alaska. I wonder if he feels we have a similar obligation to the 2½ million people of Puerto Rico?

Mr. MAGNUSON. Of course I do not feel that way, and I do not think any of the members of the Committee on Interior and Insular Affairs, who have worked on this question for years, feel that such an obligation exists.

Mr. SMATHERS. I thought I understood the Senator to say that any time we took in any territory, we thereby left some implication of a moral-political obligation. We have as possessions the Territories of Guam, the Virgin Islands, and Puerto Rico. At one time Newfoundland asked to become a State.

I agree with the Senator that taxation without representation is bad. The people of the Colonies lived under such a system of taxation for a long time before they finally revolted. In this situation we are trying to give the people of the two Territories relief by providing for them a government similar to that which is now enjoyed by Puerto Rico.

Would the Senator agree that Puerto Rico should become a State if the people of that island later decided that they would like to become a State, or as to Guam, if the Guamanians so decided?

Mr. MAGNUSON. That is a matter for Congress to decide.

Mr. SMATHERS. Does the Senator consider that there is a moral obligation to those people?

Mr. MAGNUSON. No, not any more, because we have discharged that obligation.

Mr. SMATHERS. If we give to the Territory of Hawaii the same status we have given to Puerto Rico, then I conclude that the Senator arrives at the same conclusion, that we have discharged our political and moral obligation. Am I not correct?

Mr. MAGNUSON. No; the manner in which we acquired the Territories of Hawaii and Alaska and the way we acquired Puerto Rico were entirely different.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield to the Senator from New Mexico.

Mr. ANDERSON. I still maintain we have to pay attention to the words "incorporated" and "unincorporated" Territory. I know the terms have been treated as if they were synonymous, but the situation is completely different. Once a Territory is incorporated, it is in anticipation of statehood. It has been so held. The Supreme Court has passed on the insular cases time after time, and has shown that Puerto Rico obtained a wholly different status from that of Alaska and Hawaii, and that such an obligation does not exist with regard to Puerto Rico.

Mr. MAGNUSON. Puerto Rico is not incorporated.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield to the Senator from Florida.

Mr. SMATHERS. That has been said all along, and yet on May 27, 1901, the first time the question of incorporation arose, the Supreme Court of the United States, in the case of *De Lima* v. *Bidwell* (182 U. S.), stated as follows, at pages 195 and 196:

> One of the ordinary incidents of a treaty is the cession of territory. It is not too much to say it is the rule, rather than the exception, that a treaty of peace, following upon a war, provides for a cession of territory to the victorious party. It was said by Chief Justice Marshall in *American Ins. Co.* v. *Canter* (1 Pet. 511, 542): "The Constitution confers absolutely upon the Government of the Union the powers of making war and of making treaties; consequently that Government possesses the power of acquiring territory, either by conquest or by treaty."

The following is the part of the opinion I should like to emphasize:

> The territory thus acquired—

The Court is talking about Puerto Rico—

> is acquired as absolutely as if the annexation were made, as in the case of Texas and Hawaii, by an act of Congress.

The terms "incorporated" and "unincorporated" were dreamed up in the Insular cases, because there were some rich people in Hawaii we wanted to tax, although the people of Hawaii were poor, generally speaking. So we had to think of some legal legerdemain in order to justify taxing them, and the words "incorporated" and "unincorporated" were concocted. Those words had never been mentioned before. In the Organic Act of March 30, 1822, applicable to my State of Florida, no mention was made as to whether it was incorporated or unincorporated territory.

Mr. MAGNUSON. If it was not mentioned up to then, it was mentioned at that time, and it is now in effect.

Mr. SMATHERS. But the opinion infers that Puerto Rico is in the same category with Hawaii and Alaska.

Mr. ANDERSON. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield to the Senator from New Mexico.

Mr. ANDERSON. The very treaty by which we acquired territory which subsequently came into the Union prior to the treaty of 1898 said the territory was brought into the United States and that the people living in the States carved out of it had the same rights as citizens of the United States. That language is repeated without exception as to all the Territories.

When the Treaty of Paris was drawn in 1898, there was a vast difference of opinion. There was no such recital clause in that treaty. The explanation was given then, though I do not say it is a good one, that it was thought the Spanish law was different from the law of the United States, and that it was not proper to bring the new possessions in on the same basis with our States and offer their residents the same rights as citizens. This is not something that was dreamed up; it is something which took place and was recognized by the State Department in drafting the Treaty of Paris. The language is in the treaty, and anyone who desires to do so can read it.

Mr. SMATHERS. I am sure that the Senator from New Mexico, who is an able lawyer, as I have said before, in his examination of the treatment accorded to Puerto Rico and that accorded to the Territory of Hawaii, with the exception of tax relief, will agree that there was no right which the people of the Territory of Hawaii had which the people of Puerto Rico did not have.

When it is stated that the words "organized territory" were not mentioned in the Treaty of Paris of 1898, I agree. As a matter of fact, it was not mentioned, when the Territory of Hawaii was taken in, that at that very time it was an organized Territory. That expression came up later. It was a matter of convenience. As the Senator from Arkansas has said, these are technical matters. The people who walk the streets of San Juan will not understand

when one says, "You cannot come in as a State because you are not incorporated." When the people of Guam or Ketchikan in Alasaka are told that they cannot be admitted as a State because they are not incorporated, I am sure they will not understand or care about it.

Mr. MAGNUSON. I still reiterate that there is a great deal of difference, both legal and otherwise, in our political-moral obligation as it affects the people of Alaska and Hawaii and as it affects the people of Puerto Rico.

I hope the Senators from Arkansas, Florida, and Oklahoma, will do something about the word "commonwealth." I hope our British background will not get the best of us, because I am sure there are many sturdy people up in Alaska who would somewhat resent being referred to as commonwealth citizens and not citizens of the United States. If they should vote on the question, I think the ridicule of the word "commonwealth" would defeat it before the election could get started.

Mr. FULBRIGHT. I am sure the Senator will agree that the great States of Virginia and Massachusetts are Commonwealths, and that the Senator would not want to leave the impression that there is anything wrong with those great States.

Mr. MAGNUSON. I would not want to leave the impression that there is anything wrong with either State, but, as a practical matter, that is one thing which the people of Alaska would not understand.

Mr. FULBRIGHT. Does the Senator mean they would resent it?

Mr. MAGNUSON. They would resent the word.

RECESS

Mr. CARLSON. If there is no other Senator who wishes to be heard, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 10 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until Tuesday, March 30, 1954, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 29 (legislative day of March 1), 1954:

UNITED STATES DISTRICT JUDGES

Francis L. Van Dusen, of Pennsylvania, to be United States district judge for the eastern district of Pennsylvania, vice Guy K. Bard, resigned.

John L. Miller, of Pennsylvania, to be United States district judge for the western district of Pennsylvania, vice William A. Stewart, deceased.

John W. Lord, Jr., of Pennsylvania, to be United States district judge for the eastern district of Pennsylvania, vice James P. McGranery, resigned.

IN THE NAVY

The following-named (Naval R. O. T. C.) to be second lieutenants in the Marine Corps, subject to qualification therefor as provided by law:

Ron K. Cox
William H. Pitt, Jr.

The following-named (A. R. O. T. C.) to be second lieutenants in the Marine Corps, subject to qualification therefor as provided by law:

Richard D. Buttolph	Pat S. Galligan
James J. Byrd	Joseph I. Kutner
Walter S. Crumbley	James F. Robb
Robert J. Cuozzo	Richard J. Salley
Edgar W. Davenport	Neyle C. Theriault
Donald D. Durham	

Kenneth E. Wolff (Naval Reserve aviator) to be an ensign in the Navy, subject to qualification therefor as provided by law.

The following-named officers (naval aviators) to the grades indicated in the Marine Corps, subject to qualification therefor as provided by law:

CAPTAIN

Stanley E. Adams	Milton E. Law
James F. Allen	Gerald R. Lentz
Robert E. Ball	Robert Lewis, Jr.
William J. Barbanes	William R. Locke
Paul A. Bernas	Robert E. Luther
Robert E. Blount	Duane G. Lynch
Edward E. Brown	John H. Maloney
Richard K. Brown	Herbert F. McCormick
George H. Cullins	Hugh McCoy
Donald C. Donaldson	Robert E. Nelson
James M. Feehery	Emery A. Neuschwander
John Fischer	
Lynwood V. Fletcher	William E. Otte
Steve Furimsky, Jr.	Robert E. Paulson
Leland S. Gaug	Robert V. Reese
Frederick B. Haines	John T. Ryan
Richard B. Haines	William M. Sample
William D. Harris	William M. H. Schrantz
William B. Higgins	
William H. Johnson	Stephen L. Schuster, Jr.
Harvey A. Keeling, Jr.	
William D. Kelly	Robert C. Simons
John W. Kirkland	Kenneth J. Smock
Harold R. Knowles	Harold D. Snell
James G. A. Knox	William E. Weber

FIRST LIEUTENANT

Robert L. Allen	Samuel Levine
Wolcott D. Baird	Carl R. Lundquist
William W. Breau	William L. Moore
Lawrence E. Cheatum	Gerald D. Overmyer
James W. Dillon	George Pechar
Roland W. Golz	Eugene F. Poole
Marsh A. Graham	Clarke E. Rhykerd
Harold Z. Gray	Frank R. Smoke
William L. Green	Walter C. Sprowls
Kenneth J. Hice	John S. Thompson
Walter C. Kelly	

SECOND LIEUTENANT

William R. Beeler	Laverne D. Highhouse
Ernest C. Brace	Charles E. Kiser
William Q. Brothers, Jr.	Leo J. LeBlanc, Jr.
	Frank L. Leister
Horace A. Bruce	Edison W. Miller
William E. Caslin	Arthur S. Ohlgren
Jimmie L. Dillon	Darold D. Parrish
Raymond L. Duvall, Jr.	Edward J. Sample
	Laurence A. Taylor
Charles R. Gray	James S. Thompson
John Havlik	Ronald Trepas
Lawrence R. Hawkins	Ted Uhlemeyer, Jr.
Richard L. Hawley	Bobby R. Wilkinson

The following-named officers to be second lieutenants in the Marine Corps, subject to qualification therefor as provided by law:

Robert G. Abbott	Robert G. Bickert
Donald T. Aichroth	Richard R. Blair
Richard A. Alm	Walter E. Blayton
James V. Andersen	Harry J. Bottorff
William B. Anderson, Jr.	Joe E. Bradberry
	Francis X. Brandon
John B. Arquiette	Bernard B. Brause, Jr.
John H. Austin	Richard P. Bray
Robert H. Axton	Richard S. Broderick
Edward E. Backus	Guy L. Brown
Frank N. Bales	Joseph P. Brower
William L. Bearchell	Charles D. Bujan
Joseph Begines	Thomas "K" Burk, Jr.
Homer L. Bennett	Cortlandt O. Bymaster
William D. Benton	William J. Callery, Jr.
Harland W. Berndt	John W. Campbell
Louis J. Cavallo	John R. Matheson
Guy R. Chaney	Warren M. McConnell
John W. Chester, Jr.	John F. McGee
Robert S. Chockley	William N. McGuane
Leland L. Coggan, Jr.	James J. McMonagle
James F. Coleman	Earl C. Meek
John C. Conlin	George W. Meyer
Richard F. Connell	Michael C. Mikulics
Thomas L. Costello	Edmund H. Miller
Donald L. Cox, Jr.	Johnes K. Moore
Warren G. Cretney	James L. Murphy
Frederick J. Cripe	Christian A. Nast, Jr.
James R. Crutchfield	Buel B. Newman, Jr.
Sigmund J. Cysewski, Jr.	Bernard J. Newton
	William J. Nielsen
Arthur J. Daglis	Thomas F. E. Nugent
John H. Decker	Robert A. Olsen
John Denora	John T. O'Shea
Jack L. Dewell	Paul L. Oshirak
Warren M. Dodson, Jr.	Robert P. Palmer
Peter E. Donnelly, Jr.	James P. Parrish
John E. Dowsett	Norman B. Patberg, Jr.
Donald J. Duckworth	
Joseph N. Eggleston	Richard A. Paynter
David L. Elam	Stephen Percy
Nathaniel R. Elliott, Jr.	Jimmie R. Phillips
Charles B. Erickson	Rex L. Pickett, Jr.
Ronald E. Fauver	Karl B. Pieper
George B. Ferrington	John E. Poindexter
Malcolm V. Fites	Jack G. Pollard
Daniel J. Ford	Frank T. Rice
Ralph Fortie	John M. Roe, Jr.
David L. Foster	John A. Rosengrant
Roger D. Foster	Cledwyn P. Rowlands
Robert F. Franks, Jr.	Carroll E. Salls
James W. Friberg	Martin E. Salter, Jr.
Robert L. Fry	Earle L. Sanborn, Jr.
Edward W. Gallagher	Laveen D. Schmidt
Robert G. George	George R. Schremp, Jr.
Sam M. Gipson, Jr.	Lawrence A. Schulte, Jr.
John W. Gore, Jr.	
Malcolm G. Gregory	Raymond A. Shaffer
Ronald L. Hamby	John E. Sinclair
Donnie N. Harman	Richard E. Sloan
Curtis E. Hays	Buck D. Smith
Henry S. Heffley, Jr.	Craig S. Smith
Richard W. Herbst	Frederick A. Smith
David G. Herron	Haywood R. Smith
Donald R. Himmer	James M. Smith
Ralph P. Holt	Melvin A. Soper, Jr.
Earl R. Hunter	John A. Sparks
Harold L. Jackson, Jr.	David A. Spurlock
Lawrence B. Jackson	Arnold W. Stanley
Clifford H. Johnson	Ernest L. Staples, Jr.
Mannon A. Johnson, Jr.	Cullen G. Starnes, Jr.
	Fred W. St. Clair
Robert C. Jones	Louis J. Steck
Danna Joyce	Ray A. Stephens
William K. Joyner	Ray B. Stice
Charles C. Keightley	Donald H. Strain
Herbert S. Keimling, Jr.	Edward B. Subowsty
	William M. Sullivan
William M. Kendrick	James T. Swinney
Paul T. Kennedy	Charles H. Taylor, Jr.
Francis R. Kiernan	Charles E. Teague
Robert D. Klein	David E. Thomas
Leroy E. Koleber	Robert H. Thompson
Howard M. Koppenhaver	Bobby C. Turner
	William C. Vaninwegen
Edward S. Krass	
Jene R. Kutchmarek	Daniel J. Viera
James T. Larkin	James W. Walker
Rodney O. Lawrence	John B. Walker, Jr.
Donald Q. Layne	Homer L. Welch
Maurice G. J. Legrand	Joseph J. Went
Richard J. Lewis	Robert P. Whalen
Walter R. Limbach	Richard J. Wheelock
Orville V. Lippold, Jr.	Jean P. White
Edwin W. Lockard	Frank P. Williams, Jr.
Lamar K. Looney, Jr.	Robert L. Wilson, Jr.
Joseph J. Louder	Billie W. Windsor
William T. Lunsford	Donald E. Wood
Joseph W. Martinelli	Harvey Wright

Aloysius A. Androlewicz, Jr. (civilian college graduate), to be second lieutenant in the Marine Corps, subject to qualification therefor as provided by law.

The following-named officers to the grades indicated in the Medical Corps of the Navy,

subject to qualification therefor as provided by law:

LIEUTENANT

James P. Semmens

LIEUTENANT (JUNIOR GRADE)

Richard H. Tabor
Thomas W. Turner

Frank J. Pellizzari to be a lieutenant (junior grade) in the Dental Corps of the Navy, subject to qualification therefor as provided by law.

Henry D. Baldridge, Jr., to be a lieutenant (junior grade) in the Medical Service Corps of the Navy, in lieu of ensign in the Medical Service Corps of the Navy, as previously nominated and confirmed.

Betty E. Rigby to be a lieutenant in the Nurse Corps of the Navy, in lieu of lieutenant (junior grade) in the Nurse Corps of the Navy, as previously nominated and confirmed.

Everett E. Emrick to be a temporary chief radio electrician in the Navy, subject to qualification therefor as provided by law.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 29, 1954

The House met at 12 o'clock noon.

Father James Chandler Donohue, St. Edward's Church, Baltimore, Md., offered the following prayer:

Almighty God, Father, Redeemer, and Sanctifier of us all, we humbly ask You to bless the Congress of the United States of America. Guard and guide its Members and grant them three graces.

First, the grace to know truth and uphold it, no matter how perilous such a task appears in a world where whole nations build idols to falsehood.

Secondly, grant them the grace of perseverance when obstacles make the job of guiding our country discouraging.

And finally, give them the grace of love. Love of God and love of neighbor. For without that twofold charity upon which our Nation was founded, they would work in vain.

This we ask for them in the name of Thy only Son, Jesus Christ our Lord, who died and suffered for us that we might live.

May the blessing of Almighty God, Father, Son, and Holy Spirit descend upon you and remain forever. Amen.

The Journal of the proceedings of Thursday, March 25, 1954, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed with amendments a bill of the House of the following title:

H. R. 8224. An act to reduce excise taxes, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill and requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MILLIKIN, Mr. BUTLER of Nebraska, Mr. MARTIN, Mr. GEORGE, and Mr. BYRD to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5337) entitled "An act to provide for the establishment of a United States Air Force Academy, and for other purposes."

The message also announced that the Senate insists upon its amendments to the bill (H. R. 6025) entitled "An act to authorize the Secretary of the Army to grant a license to the Leahi Hospital, a nonprofit institution, to use certain United States property in the city and county of Honolulu, T. H.," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HENDRICKSON, Mr. COOPER, and Mr. KEFAUVER to be the conferees on the part of the Senate.

The message also announced that the Vice President appointed Mr. CARLSON and Mr. JOHNSTON of South Carolina members of the Joint Select Committee on the part of the Senate, as provided for in act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 54–10.

REDUCING EXCISE TAXES

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 8224) to reduce excise taxes, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. REED of New York, JENKINS, SIMPSON of Pennsylvania, COOPER, and MILLS.

PROVIDING FOR CONSIDERATION OF CONFERENCE REPORT ON H. R. 8224

Mr. REED of New York. I ask unanimous consent that it shall be in order to consider any conference report on the bill (H. R. 8224) to reduce excise taxes and for other purposes, the same day reported to the House notwithstanding the provisions of clause 2, rule XXVIII.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that the conferees on H. R. 8224 have until midnight tonight to file their report.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

COMMITTEE ON GOVERNMENT OPERATIONS

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 468 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the further expenses of conducting the studies and investigations authorized by clause 8 of rule XI of the Rules of the House and House Resolution 150, 83d Congress, as amended by House Resolution 339, 83d Congress, incurred by (1) the Military Operations Subcommittee of the Committee on Government Operations, not to exceed $51,000 additional, (2) the Public Accounts Subcommittee of such committee, not to exceed $52,000 additional, and (3) the International Operations Subcommittee of such committee, not to exceed $52,000 additional, shall be paid out of the contingent fund of the House on vouchers authorized by the subcommittee which incurred the expenses, signed by the chairman thereof, and approved by the Committee on House Administration.

With the following committee amendment:

On page 1, line 9, after the word "additional", insert the following: "for investigations in the Department of Agriculture, Commerce, Justice, Interior, Post Office, and Treasury."

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the resolution.

Mr. LECOMPTE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LECOMPTE. Mr. Speaker, this is a privileged resolution, and under the rules it will be considered as a privileged resolution?

The SPEAKER. That is correct. It is a privileged resolution.

Mr. LECOMPTE. Mr. Speaker, this resolution came from the Committee on House Administration, with a committee amendment, which was adopted by unanimous vote of the committee, and has been adopted by the House. The resolution provides for funds for investigations by three subcommittees of the Committee on Government Operations. Subcommittees of Government Operations have practically become autonomous committees by the terms of a resolution adopted last July in the House, setting up permanent subcommittees in the Committee on Government Operations and giving those committees almost the authority and jurisdiction of a regular standing committee of the House. The chairmen of the three subcommittees, the gentleman from New York, the gentleman from Ohio, and the gentleman from Indiana presented budgets and convinced the committee that the plans for investigations are justified, so that the amount of money is not excessive. These investigations were launched last

year and the resolution today provides the money to continue them.

The Committtee on Government Operations in this Congress has had a total of $350,050. The resolution before the House at the moment provides for $155,000 additional funds, making a grand total of slightly more than a half million dollars for the Committee on Government Operations in this Congress, something considerably more than any previous Congress has appropriated for the Committee on Government Operations.

At this time I wish to yield 10 minutes to the gentleman from Michigan [Mr. HOFFMAN], chairman of the Committee on Government Operations.

Mr. HOFFMAN of Michigan. Mr. Speaker, this is a resolution which provides $155,000 for three subcommittees of the Committee on Government Operations to continue their investigations and hearings during the remaining 9 months of this campaign year. There are five subcommittees. Two of them, of one of which the Member from Indiana [Mrs. HARDEN] is chairman, and the other of which I am chairman, are not asking for any money.

In fact, the Subcommittee on Intergovernmental Relations, as of January 1, 1954, had on hand $38,736.61, and there had been appropriated for the Intergovernmental Commission and the Commission on Executive Organization $2,431,909.

The full committee, of which I am chairman, and the subcommittee, of which I am chairman, had on hand, as of January 1, 1954, $51,139.27.

As of today the financial situation of the committee and its subcommittees is shown by exhibit 1 and made a part hereof.

EXHIBIT 1

A comparison of the funds appropriated, spent, and returned to the U. S. Treasury by the Committee on Government Operations during the 82d Cong. (1951–52), with the funds appropriated, spent, and on hand as of Jan. 1, 1954, and additional sums requested by the subcommittees of the Committee on Government Operations, 83d Cong. (1953–54)

COMMITTEE ON GOVERNMENT OPERATIONS

82D CONG.

Amount appropriated	$360,000.00
Amount expended	290,746.34
Balance	69,253.66

(These funds were not allocated to any subcommittee. The request was made and granted to the full committee.)

83D CONG., 1ST SESS.

Subcommittee	Appropriated	Expended	Balance as of Jan. 1, 1954
Military Operations (Riehlman)	$64,425	$48,040.00	$16,385.00
Public Accounts (Bender)	65,000	37,818.18	27,181.82
Intergovernmental Relations (Harden)	59,625	20,888.39	38,736.61
International Operations (Brownson)	66,000	46,223.22	19,776.78
Full committee (Hoffman)	100,000	48,860.73	51,139.27
Total	355,050	201,830.52	153,219.48

83D CONG., 2D SESS.—ADDITIONAL FUNDS REQUESTED

Subcommittee	Original appropriations	Additional amount requested	Total funds appropriated, and additional funds requested, 1st and 2d sess.
Military Operations (Riehlman)	$64,425	$51,000	$115,425
Public Accounts (Bender)	65,000	52,000	117,000
Intergovernmental Relations (Harden)	59,625		59,625
International Operations (Brownson)	66,000	52,000	118,000
Full committee, Executive and Legislative Reorganization Subcommittee and special subcommittees (Hoffman)	100,000		100,000
Total	355,050	155,000	510,050

AMOUNTS APPROPRIATED FOR GOVERNMENT OPERATIONS COMMISSIONS (83D CONG.)

Intergovernmental Relations Commission (Manion)	$500,000
Commission on Executive Organizations (Hoover)	1,931,909
Total	2,431,909

It was my purpose this morning to raise the question—and I will later in the day raise the question of the privilege of the House—because of a certain charge which appeared in a hundred papers some time ago.

The charge was that the House, when it voted to recommit a previous resolution, which recommittal motion was offered by the gentleman from North Carolina [Mr. BARDEN], to send back to committee the previous resolution having been offered by the gentleman from Ohio [Mr. BENDER], requesting $100,000 to investigate extortion had been influenced by goon squads and political bosses in their local communities.

The House voted to recommit that request to the Committee on House Administration. Because it took that action, a newspaper column, printed, it is said, in more than a hundred papers, stated that Mr. Toll, chief counsel for the Subcommittee on Public Accounts, a subcommittee of the House Committee on Government Operations, had charged that the action of the House was influenced by goon squads and local politicians and that the purpose was to prevent investigations into racketeering.

That charge, if made by Mr. Toll, as stated in this newspaper article, was false, as a casual examination of the record would have shown.

More than a week ago I tried to raise this question by stating to the Speaker and the Parliamentarian that, in my judgment, it entitled me to speak on the question of a privilege of the House, but was then advised by the Parliamentarian that the material offered did not raise such a question.

It was my purpose this morning, after the reading of the Journal, to again raise that question, but I was a minute or two late, and now find that the gentleman from Iowa, chairman of the Committee on House Administration, has the floor, and he has kindly yielded me 10 minutes, 2 of which have already expired, to speak on the resolution now before the House.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make a point of no quorum.

The SPEAKER. The Chair will count. [After counting.] One hundred and sixteen Members are present, not a quorum.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 40]

Abbitt	Dodd	O'Neill
Allen, Ill.	Dollinger	Osmers
Angell	Fallon	Patten
Battle	Fine	Philbin
Bentley	Fino	Pillion
Bolton, Frances P.	Frelinghuysen	Poage
	Garmatz	Polk
Bolton, Oliver P.	Gary	Powell
	Hart	Radwan
Bosch	Hays, Ohio	Reece, Tenn.
Boykin	Heller	Regan
Bramblett	Holtzman	Richards
Bray	Javits	Rivers
Brooks, La.	Jensen	Roberts
Buckley	Kearney	Rogers, Mass.
Canfield	Klein	Roosevelt
Carlyle	Kluczynski	St. George
Carrigg	Latham	Seely-Brown
Celler	Lucas	Sheehan
Chelf	Lyle	Sieminski
Chiperfield	McConnell	Sutton
Church	Mack, Wash.	Taylor
Clardy	Merrill	Tuck
Clevenger	Merrow	Velde
Cooley	Miller, Calif.	Vorys
Coudert	Mollohan	Wainwright
Crosser	Morgan	Weichel
Curtis, Mo.	Morrison	Williams, N. J.
Dawson, Utah	O'Brien, Mich.	Wilson, Tex.
Devereux	O'Brien, N. Y.	
Dingell	O'Konski	

The SPEAKER. On this rollcall, 355 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON GOVERNMENT OPERATIONS

The SPEAKER. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include additional material.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, no apology whatever is offered for making this quorum call. I made it because I want to give the House a chance to hear what is going to be said on the pending resolution and on the question of the privilege of the House.

The Committee on Government Operations and its subcommittees as of January 1 had on hand $153,000. The three subcommittees are asking today for an additional $155,000. That is, 3 of the 5 subcommittees are asking for that. The

other two subcommittees and the full committee are not asking for anything.

If one could say, or use such language, my purpose might be expressed as a desire to give the Members of the House a chance to be classified with the sheep or with the goats. But, of course, you cannot use that language with reference to the House of Representatives so I will not use it. In any event I suspect that by political maneuvering the issue will be avoided.

Here is the issue, if I can get a vote on it—which I doubt. Recently, in more than 100 papers circulated throughout this country, there appeared this among other statements:

> For the second time in 90 days, a responsible chief counsel of a crime-busting congressional subcommittee has bluntly told me that the mobs appear to have enough influence to reach into the House of Representatives to kill probes into labor racketeering.

Then dropping down further:

> So amid the bursting of bombs and the heaving of heavy bolts through store windows and restaurant windows and amid an enormous system of shakedowns, the House of Representatives rejects the Bender subcommittee bid for $100,000 to dig into these rackets.
>
> This is not to say that all, or even a majority of Congressmen, who voted against financing the anticrime commission probe were reached by hometown politicos who were in turn reached by hometown hoods.

There is a statement published that the House of Representatives, when it adopted the Barden motion to recommit the Bender request, was influenced by goon squads. That statement and charge was false and ordinary diligence would have shown the one who made it that it was false. Permit me to tell you why that is an absolute falsehood, and yet it was made by the chief counsel of the Bender subcommittee. It may be he did not know any better. I am not blaming the young man so very much because he may have been led astray by some other folks. Assuming he did not know what he was saying, nevertheless, he made that false charge, and to date has not retracted it.

The truth of the matter is that the Bender subcommittee to this day has never by resolution asked for $1 to investigate labor racketeers. Did you know that?

I do not believe the author of that article knew that fact, because the debate here the other day went off on the line of who had authority to investigate racketeers.

But the resolution which was before the House read as follows:

House Resolution 419

Resolved, That House Resolution 150, 83d Congress, as amended by House Resolution 339, 83d Congress, is hereby amended (1) by striking out "$355,050" and inserting in lieu thereof "$455,050", and (2) by striking out "$65,000" and inserting in lieu thereof "$165,000."

There is nothing there about extortion or racketeering.

The resolution that is before you today is here asking you for $155,000 for three subcommittees, but there is not one word in it that authorizes any investigation by anyone into racketeering, nor is a dollar provided for that purpose.

The chairman of the Bender subcommittee on public accounts told me at least twice that after this resolution, House Resolution 468, was out of the way, then he would come along and ask for more money to investigate racketeering, and I said, "Why don't you do it now?" Well, he was not ready. Not ready? Notwithstanding the fact that they had on hand the subcommittees this $153,000 as of January 1, 1954? And they are asking now for $155,000? As of January 1, 1954, the Bender subcommittee had a balance of more than $27,000. No; they are not asking for money to investigate racketeering. It is for something else that they have in mind, and I do not care what it is. What I am doing today is putting them on the spot to answer the false charge that the House refused to provide dollars to expose extortion. Yes; and I am trying to put the Members in a position where you will have a chance to say whether you are going to investigate racketeering, which we all know is nationwide, or whether you are going to hide behind something else or go along and vote without knowing what you are doing.

I will offer a motion to recommit which reads as follows:

I move that House Resolution 468 be recommitted to the Committee on House Administration, to report the same back forthwith to the House, with the following amendment:

> Strike out all after the comma following the word "Congress" in the fourth line, and insert in lieu thereof the following: "incurred in connection with studies and investigations, including hearings and the filing of reports, in connection with extortion, racketeering, violations of the Antiracketeering Act of 1934, as amended, by the Public Accounts Subcommittee of such committee, not to exceed $52,000 additional, shall be paid out of the contingent fund of the House on vouchers authorized by said subcommittee, signed by the chairman thereof, and approved by the Committee on House Administration."

That motion will raise the issue fairly and squarely. If adopted, House Resolution 468 would read, as follows:

> *Resolved,* That the further expenses of conducting the studies and investigations authorized by clause 8 of rule XI of the Rules of the House, and House Resolution 150, 83d Congress, incurred in connection with studies and investigations, including hearings and the filing of reports, in connection with extortion, racketeering, violations of the Anti-Racketeering Act of 1934, as amended, by the Public Accounts Subcommittee of such committee, not to exceed $52,000 additional, shall be paid out of the contingent fund of the House on vouchers authorized by said subcommittee, signed by the chairman thereof, and approved by the Committee on House Administration.

Of course, I realize that custom gives priority to the minority to offer a motion to recommit, and it is possible, under the rules of the House, by political maneuvering, to once more deny to the House the opportunity to nail the false charge that the House is opposed to racketeering by forcing the House to vote upon a straight motion to recommit instead of the motion I am prepared to offer.

Such a motion will serve a double purpose.

It will avoid answering the false charge made that, when the House, on February 25, 1954, adopted the Barden motion to recommit the Bender resolution it denied that committee funds to investigate racketeering.

It will also serve the purpose of enabling those who do not want to curtail expenditures of investigating committees to avoid a showdown on that issue.

Again permit me to state: If that is what the House and the leadership of the House want to do, I am not unduly critical, for I have made my position clear—not once, but several times. I have not the slightest inclination to dodge a vote on that or any other issue.

Three times the Committee on Government Operations has said that I should not investigate racketeering. All right. That is water over the dam. I do not care. I will go fishing this summer instead of traipsing around, burrowing under, trying to perform that duty. I do not need the publicity for campaign purposes, nor do I need committee investigations with the resulting expenditure of tax dollars to further a political campaign. I will come in with a motion to recommit this resolution and to authorize the expenditure of $52,000, which is what the gentleman from Ohio [Mr. BENDER] is asking for in this resolution for his committee, not for racketeering, but for the regular subcommittee, authorizing the expenditure of $52,000 to investigate racketeering.

Let us lay the cards on the table. Let us lay the cards on the table. Let us see who, if anyone, is protecting the racketeers and extortionists. You can tell it by this vote, if a vote is not evaded.

To say that I blocked the effort—any effort—to expose the crooks is known by every Member of the House to be false. If others by parliamentary procedure prevent a vote on that issue that is their privilege. The gentleman who is chairman of the Bender committee on public accounts issued subpenas requiring witnesses to appear at 10 o'clock Friday morning, the 26th of March, in room 308 of the Federal Building in Minneapolis. He never notified the members of the committee. He was going to have the witnesses appear before a staff member—something they cannot do legally—and there produce records and testify. It does not show that they are acting in good faith, does it? No. Yell about a gentleman from Wisconsin exposing Commies illegally—what about the procedure to which I just made reference?

Now, if you want to stand up and be counted, if you want racketeering investigated, here is your chance to come out and support this motion to recommit and to give this subcommittee the money necessary for that purpose.

They had $27,000 on hand in January. Here is $52,000 more. If they want more I will vote for that, but let us have done with these false charges that the House of Representatives is covering up for "goon" squads and for racketeers, when the House has never had a chance to vote on that issue. Why evade it—even though the leadership may open the door for a masterly retreat?

Mr. BARDEN. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from North Carolina.

Mr. BARDEN. I do not wish to inject myself into this controversy except to this extent: I did have something to do with the motion to recommit, and I saw the statements of the chief counsel. I do not think those statements are becoming of any counsel or any employee of this House. I do not think the House should lightly pass over any employee of this House attacking the good faith and integrity of the Members of this House.

Mr. HOFFMAN of Michigan. I will say to the gentleman right there that I intended this morning, had I arrived in time, but I will do it later in the day, to raise that question of the privilege of the House as I tried to do when the charge was originally made because, as the gentleman says, if the counsel of a subcommittee of this House can charge House Members with being under the influence of goon squads and racketeers without being rebuked, I want to know it.

Mr. BARDEN. May I ask the gentleman if he intended to say a minute ago that that same chief counsel was armed with subpenas and served those subpenas in Minneapolis, Minn., in the nature of a subpena duces tecum, to come personally and bring records for inspection before members of the staff of the committee and not members of the committee?

Mr. HOFFMAN of Michigan. The subpena read to appear before the subcommittee and to bring documents, but no member of the subcommittee was there. The subcommittee members were not notified.

Whether the chief counsel, Mr. Toll, who was reported to have made this false charge against the House, requested the issuing of these subpenas, I do not know. The subpenas were signed either by the chairman of the subcommittee or at his direction, or by someone who had no authority to issue subpenas or to sign the chairman's name.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. LECOMPTE. Mr. Speaker, I might say to the House that the gentleman from Michigan is correct to this extent, namely, that there is no authority for investigation of rackets or crimes in this resolution. By the terms of a committee amendment already adopted the investigation by the Bender committee is limited to certain departments.

Mr. Speaker, I might say further that there are some unexpended funds in the Committee on Government Operations, but very little for these three committees which have investigations under way at the present time: Very little as of March 25 in Mr. RIEHLMAN'S committee; very little in Mr. BENDER'S committee; very little in Mr. BROWNSON'S committee; but there is a substantial amount of money available for the investigations of the committee of which the gentlewoman from Indiana is chairman. She has done a splendid job and has asked for no more money; and the chairman of the whole committee and his subcommittee have something like $50,000 unexpended.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. LECOMPTE. Very briefly.

Mr. HOFFMAN of Michigan. Something like $50,000 as of January 1, 1954; and we offered to do this job for $30,000.

Mr. LECOMPTE. The gentleman is referring to a dispute in his committee that was resolved by the House last summer by resolution adopted in July.

Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. DAWSON], former chairman of the Committee on Government Operations or Committee on Expenditures in the Executive Departments as it was known then.

Mr. DAWSON of Illinois. Mr. Speaker, I am not speaking of the matter of the motion to recommit as presented by our distinguished chairman; I am addressing myself to the question of funds for the various subcommittees. It is my understanding that objection has been made to voting funds for the various subcommittees. I grant that economy should be the keynote. However, it has been charged that these subcommittees have spent moneys and have not spent them wisely, that they have taken trips abroad on jaunts, as they were called and consequently additional funds should not be given to these subcommittees.

As a former chairman of the Committee on Government Operations at the time the committee was known as the Committee on Expenditures in the Executive Departments, I want to justify the expenditure of money for the purposes for which it has been used by these subcommittees. I think that Congressmen should investigate personally matters which come before their committee in order that they might make proper recommendations.

I think that when charges are made that some departments or some bureaus in the executive departments are not operating properly, that Congressmen should investigate and find the facts. As one who has sent subcommittees abroad I want to say to you that the work of those subcommittees on expenditures were certainly justified; they were justified in the recommendations made to the departments; they were justified in the action taken by the various departments upon those recommendations.

I have in mind a subcommittee which made a trip around the world to determine whether or not we should adopt a policy of surplus property disposal. As a result of this subcommittee's recommendation, certain metals were reclaimed which had earlier been declared surplus, resulting—in this one instance alone—in savings to our Government far in excess of the cost of the trip.

Mr. Speaker, I have read some of the reports of the subcommittees, particularly the report of the subcommittee under the gentleman from Indiana [Mr. BROWNSON], and another one, and I may say to you that the expenditures of those subcommittees have been more than justified in the results and in the economies that have been set up in the various departments.

As to the internal dissension between the chairmen of the subcommittees and the chairman of the full committee, certainly I have no criticism, I have no thoughts to inject, but I am going to defend the right of Congressmen to spend money in going about the affairs of this Nation and insofar as the size of the subcommittees is concerned. I understand that one of our subcommittees made a trip in an Army plane, and submitted themselves to Army fare, and I understand they lived on the Army post and they made substantial savings thereby; but I do not know whether I am going to justify that as a saving—that they made those trips on the plane in order to study the proposition of whether or not our servicemen and our servicewomen when traveling on these planes are adequately cared for. I will say their trip was justified in keeping down expenditures. Since when did Congressmen have to confine themselves to an expenditure of $9 a day? Since when, in the light of appropriations that we are making, should Congressmen not travel in accordance with the dignity of a Congressman? I do not think that we ought to be niggardly in the matter of spending money where Congressmen and Congresswomen are concerned.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. LECOMPTE. Mr. Speaker, I yield the gentleman from Illinois 1 additional minute.

Mr. DAWSON of Illinois. Mr. Speaker, we ought to be concerned with the objective to be reached by the investigations that we make. I am not going to enter into a dispute at this time on the question of jurisdiction as to whether or not the racketeering or investigations of labor should or should not be carried on by a committee from the Committee on Labor. One thing I do know, and that is that the present chairman joined with a subcommittee from the Committee on Labor in order to carry on certain investigations.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. DAWSON of Illinois. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Unfortunately, the situation that existed in the committee last year was the result of the constant invasion of the jurisdiction of other committees. Some of us were constantly fighting that; is that not correct?

Mr. DAWSON of Illinois. That is correct. It was a question of jurisdiction, but that has nothing to do, in my mind, with the proposition that is before us now of giving the subcommittees sufficient funds with which to operate.

Mr. RIEHLMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RIEHLMAN. Mr. Speaker, in view of the foregoing discussion, I believe it important that the following facts be made part of the RECORD at this point:

I introduced House Resolution 468 to provide funds for the operations of three

subcommittees of the House Government Operations Committee only after having discussed with the chairman of the full committee, the gentleman from Michigan, the possibility of his introducing this resolution in the normal manner. The chairman informed me that he had no interest in this matter, and that he would not take any action to present the request for funds to the House Administration Committee.

These funds will be used to continue the activities of three subcommittees. These subcommittees have distinguished themselves with a record of accomplishment which is effective, dignified, and a credit to the House of Representatives. Each subcommittee, by its actions, has made a commendable record in bringing about substantial savings and increasing the efficiency of operations in the executive branch of the Government. Each subcommittee chairman, I am sure, will be happy to make available to any Member of the House a budget statement describing the past year's work, the projects which are currently under way, and the plans for operating for the remainder of this year, together with a financial statement indicating the purposes for which the money being requested will be spent.

In order that the record might be made clear, I call to the attention of the Members of the House that each subcommittee budget has been approved by the members of the respective subcommittees. Each subcommittee budget, in turn, has been properly submitted to the membership of the full committee and has been unanimously approved by the full committee.

In no way can this resolution be considered an individual request for funds by each individual subcommittee. It is properly a request by the full Committee on Government Operations for the continuing activities of its subcommittees.

If the chairman of the Government Operations Committee had any objection to these budgets, he did not voice it at the time the full committee voted on them. Nor, for that matter, did he object to the budgets when I discussed the advisability of having the chairman introduce the resolution. He merely indicated that he had no interest in handling the matter.

It may be of further interest to the Members of the House to know that when these budgets were submitted to the House Administration Committee for action, the chairman of the Government Operations Committee, to my knowledge, did not appear to make any statement either favoring or opposing the adoption of the resolution.

Therefore, it appears strange that the chairman of the full committee, at this late hour, would want to voice for the first time his desire to change the purposes for which the subcommittees' funds are to be used.

Mr. BROWNSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BROWNSON. Mr. Speaker, as my distinguished colleague, the gentleman from New York [Mr. RIEHLMAN], ranking majority member of the Committee on Government Operations, has indicated, the issue before the House in its consideration of House Resolution 468, is a simple one.

This resolution provides funds to continue the studies and investigations of three subcommittees of the House Committee on Government Operations. The distinguished gentleman from New York is chairman of the Subcommittee on Military Operations; the gentleman from Ohio [Mr. BENDER] is chairman of the Subcommittee on Public Accounts, and I am privileged to be chairman of the Subcommittee on International Operations.

Each of these subcommittees has been hard working, effective, and active. The budgets of these subcommittees were approved in both 1953 and 1954 by unanimous vote of the members of the subcommittee, majority and minority alike, and were approved unanimously without objection by the full committee meeting under the chairmanship of the gentleman from Michigan [Mr. HOFFMAN] who has raised objections today on the floor of the House which he did not see fit to bring up at the time the full committee voted on these budgets.

While I have the floor at this time, I would like to develop a few facts in response to certain allegations that the gentleman from Michigan [Mr. HOFFMAN] has raised from time to time on the floor of the House, relating to the activities of the Subcommittee on International Operations.

The first allegation was made in a speech of March 15, 1954, reported on page 3352 of the CONGRESSIONAL RECORD where the gentleman from Michigan is quoted as saying:

> More recently, to be specific, from September 27, 1953, to October 24, 1953, a period of 24 days, a subcommittee headed by the chairman, the gentleman from Indiana [Mr. BROWNSON] and the gentleman from Michigan [Mr. MEADER] took two Members of the staff and both Mr. BROWNSON and Mr. MEADER went on a 24-day trip around the world. They traveled from San Francisco to Honolulu, to Tokyo, to Korea, to Tokyo, to Manila, to Honolulu, to San Francisco, to Washington, D. C. The reported cost of that trip was $1,311.75.
>
> That, however, was not the total cost. That figure does not include the cost of transportation by Government plane. The figure given represents the per diem cost, not other costs. Had the trip been made by commercial airlines for a party of five, by chartered plane, the cost would have been in a DC–4 $51,514.75; in a DC–6, $79,301.75. Had the trip been made on a commercial plane, first-class reservation with berth, the transportation cost would have been $8,999. These figures, however, do not include costs of meals or lodgings away from the plane.

This is not an argument with my chairman. I only wish to set the record straight. The facts are these: The Subcommittee on International Operations, including the gentleman from Michigan [Mr. MEADER], the distinguished gentlewoman from New York [Mrs. ST. GEORGE], and myself, as chairman, accompanied by the staff director and the chief counsel of the subcommittee, together with an escort officer from the Department of State, left the MATS International Terminal in Washington at 3:21 p. m. the afternoon of Tuesday, September 29, 1953, for a study of State Department and Information Service Operations in Japan and the rehabilitation activities in Korea for which $200 million was specifically allocated under Public Law 207 at the request of the President. The total of United States contributions to Korean economic rehabilitation over the 8 years following the end of World War II have added up to more than a billion dollars, exclusive of direct military assistance.

The subcommittee did not visit Manila because of the tense political situation there at that time and did not go around the world. The subcommittee returned to Washington, D. C., at 2 a. m., the morning of Saturday, October 24. The total cost of the 24-day trip of the subcommittee, including all expenses of the three members, the two subcommittee staff members, and the State Department escort officer was $1,311.75. The gentleman from Michigan [Mr. MEADER], with the consent of the chairman, chose to return from Tokyo by way of Europe and paid out of his own pocket the major of expense of that trip.

At the subcommittee's own request, it traveled under some of the most restrictive orders ever issued by the Department of Defense for congressional committee travel. Except for transportation from Tokyo to Kyoto to Seoul and back to Tokyo where regularly scheduled runs were unavailable, the subcommittee traveled on regularly scheduled flights and on a "space available" basis. In other words, the plane was going to make the trip anyway on a regularly scheduled run carrying military and civilian personnel and their dependents. Had the subcommittee members not used the seats available, they would probably have been empty. In almost every plane on which the subcommittee rode, there were a few empty seats remaining.

At this point I cannot resist paying a well-deserved tribute to the distinguished gentlewoman from New York [Mrs. ST. GEORGE]. Her sportsmanship, unfailing sense of humor, and tact as she rode hour after hour on "bucket seat" airplanes of anything but the latest, fastest, and most comfortable type deserves a word of sincere tribute from those who were privileged to accompany her. As she said in her remarks of March 18:

> The subcommittee actually traveled in military transport planes that were on their regular flights and were filled with men and women of the Armed Forces and their dependents. We traveled with them and in the same manner, and it cost the Government no more to transport us than any enlisted man. The traveling was neither comfortable nor luxurious. In fact, it can best be described as cheap and nasty. However, we would not have wanted to go any other way. We saw what our troops and their dependents have to put up with. We got to know them, and to admire their good nature and their indomitable sense of humor.

I cannot help but chuckle when I read the suggestion by the gentleman from Michigan [Mr. HOFFMAN] that had the trip been made on commercial plane, first-class reservation with berth, the transportation cost would have been $8,999. It amuses me because I can still see the members of the committee perched precariously on a hard canvas

stretcher over the heads of soldiers, sailors, civilians, and their crying children trying to snatch 3 hours of sleep before their turn came to give up these luxurious accommodations to the next in line.

Throughout the remarks of the gentleman from Michigan [Mr. HOFFMAN] one gathers the impression that he feels this trip was a duplication of the study made by the Bonner subcommittee during the 82d Congress. I join with him in his generous approval of the outstanding work done under the able chairmanship of the gentleman from North Carolina [Mr. BONNER]; and I am sure I speak for the other members of my subcommittee, the gentleman from Michigan [Mr. MEADER], and the gentleman from Florida [Mr. LANTAFF], who, with me, were privileged to work with Mr. BONNER on that round-the-world study when I join in the commendation.

However, the field of the survey of the Bonner subcommittee was disposal of war surplus and the examination of warehousing, inventory levels, and supply management of the Armed Forces. The jurisdiction on the International Operations Subcommittee, assigned to it by Mr. HOFFMAN as chairman of the full committee, is almost exactly opposite. Our subcommittee is charged with the duty of studying the relationships between the United States and the departments and agencies of the United States and international organizations of which the United States is a member with view to determining economy and efficiency. It is further charged with the duty of studying the operations of the State Department at all levels and the relationships between various departments and agencies of the Federal Government and the Department of State with view to determining economy and efficiency. The activities of this subcommittee are confined to the examination of all activities of the State Department and the overseas activities of such other departments—except military—executive agencies, and Government corporations as involve possible duplication of, or conflict with, State Department functions or which affect the relationship between the United States and international organizations of which the United States is a member.

It would seem to me rather obvious that since the objectives of study of these two subcommittees were so widely divergent that no duplicate travel was involved.

The figure of $1,311.75 does include the cost of all meals and lodgings away from the plane and represents the full charge against the Government for the subcommittee trip, including reimbursement in dollars of all counterpart funds used.

On Monday, March 22, the gentleman from Michigan [Mr. HOFFMAN], reiterated many of the charges which I have answered above. In addition, he added a new note when he said:

> It might also be suggested that this said committee is not investigating executive departments of a Democratic administration. It has been and it is investigating the executive departments which are a part of, and which are controlled by the Eisenhower Republican administration. My thought always has been and still is that by and large a suggestion to the Republicans in high command might possibly bring about any needed reform and that it was only where an obvious wrong practice, an obvious violation of the law, or a department rule or regulation was, to the harm of the people, being ignored that it became necessary for congressional committees to correct either apparent or partially concealed faults by the executive agencies of its own political faith.

If my chairman meant to imply any lack of loyalty to the Eisenhower administration on my part, I can only suggest that I am willing to stand on my voting record on administration measures. If he meant to imply that the responsibility assigned to the House Committee on Government Operations and by that committee to our subcommittee should not be carried out by Republican members during a Republican administration, I can only say that to me economy and efficiency in Government have never been partisan objectives. Just as many loyal Democrats were of great assistance to the Truman administration and their country as they discovered and advocated sound principles of public administration so I believe Republicans can face up to the same responsibility without embarrassing President Eisenhower, his Cabinet and his administration.

To me, good government is still good politics.

Mr. LECOMPTE. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

Mr. KELLEY of Pennsylvania. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the resolution?

Mr. KELLEY of Pennsylvania. I am, Mr. Speaker.

Mr. HOFFMAN of Michigan. Mr. Speaker, I have a motion to recommit with instructions.

The SPEAKER. The Chair is obliged to say that, by reason of a time-honored custom, the motion to recommit belongs to the minority party if they claim the privilege, and in this instance they have claimed it. Therefore, the Chair is constrained to recognize the gentleman from Pennsylvania [Mr. KELLEY], for that purpose.

Mr. HOFFMAN of Michigan. Mr. Speaker, does not a motion to recommit with instructions take precedence over a straight motion to recommit?

The SPEAKER. It does not. All motions to recommit are on an equal footing.

The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. KELLEY of Pennsylvania moves to recommit the resolution to the Committee on House Administration.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

AUTHORIZING POSTMASTER GENERAL TO IMPOUND CERTAIN MAIL

Mr. BROWN of Ohio, from the Committee on Rules, reported the following privileged resolution (H. Res. 481, Rept. No. 1431), which was referred to the House Calendar and ordered to be printed:

> *Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of bill (H. R. 569) to authorize the Postmaster General to impound mail in certain cases. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

RESOLUTIONS FROM THE COMMITTEE ON RULES

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent that the Committee on Rules have until midnight tonight to report on the bill S. 984 and the bill H. R. 7839.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. COOPER. Reserving the right to object, what are those bills?

Mr. BROWN of Ohio. First, if it is granted, the rule on S. 984 will make provision for judicial review of certain Tax Court decisions.

The second would be on H. R. 7839, the Housing Act of 1954 from the Committee on Banking and Currency.

Mr. COOPER. Mr. Speaker, I had understood that the chairman of the Ways and Means Committee had requested an opportunity to be heard on that bill.

Mr. BROWN of Ohio. I have talked to the chairman of the Ways and Means Committee. He said there were certain papers he would like an opportunity to read before the committee. There will be a hearing this afternoon and that request will be granted.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Vice President appointed Mr. JOHNSON of Colorado as a conferee on the bill H. R. 8224, an act to reduce excise taxes, and for other purposes, in place of Mr. GEORGE, of Georgia, excused.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing

votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 238) entitled "A joint resolution granting the status of permanent resident to certain aliens."

QUESTION OF PRIVILEGE OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I raise a question of privilege of the House, and send to the Clerk's desk a resolution (H. Res. 482).

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Resolved, That the Speaker appoint a committee of five to ascertain the facts in connection with an article to which reference has just been made and (2) within 20 days report back to the House what, if any, action should be taken.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, pending consideration of the resolution, I desire to state the grounds upon which the question of the privilege of the House arises and the precedents for such action.

The SPEAKER. The gentleman from Michigan is recognized for 1 hour.

Mr. HOFFMAN of Michigan. Mr. Speaker, in the March 5, 1954, issue of the Washington Times-Herald there appeared an article by Victor Riesel, captioned "Growing Power of Mobs." A copy of the article is attached hereto, marked "Exhibit A," and made a part hereof, and from it I quote:

GROWING POWER OF MOBS

For the second time in 90 days the influence of the country's lawbreakers apparently has been greater than the influence of the country's lawmakers.

That is the flat charge of expert criminologists who have been digging into the underworld for the Government—and now find themselves orphaned by an act of Congress.

For the second time in 90 days a responsible chief counsel of a crimebusting congressional subcommittee has bluntly told me that the mobs appear to have enough influence to reach into the House of Representatives to kill probes into labor racketeering.

This latest charge came from Arthur Toll, chief counsel for the labor-racket subcommittee of the House Government Operations Committee. The charge came as reports from field investigators told the mob terrorization of businessmen, honest union leaders, and rank-and-file members.

The writer then described mob action which was protested by AFL labor leaders. Continuing his story, he wrote:

So amid the bursting of bombs, the heaving of heavy bolts through store and restaurant windows, and amid an enormous system of shakedowns, the House of Representatives rejects the Bender subcommittee bid for $100,000 to dig into these rackets. This is not to say that all or even the majority of Congressmen who voted against financing the anticrime probe were reached by hometown politicos who were, in turn, reached by hometown "hoods."

HIRED INVESTIGATOR

But this is how Arthur Toll, Congressman BENDER's chief counsel, sees it. This is how the embittered investigator put it to me.

The writer then referred to a committee staff, and then, quoting Toll, wrote:

They are putting pressure on political circles back home, to my definite knowledge, which was reflected in the House of Representatives when they threw out the $100,000 appropriation.

The quotations just read affect the honor, the integrity, and the dignity of the House. In substance, they charge that a substantial number of the Members of the House who, on February 25, last, voted in support of a resolution offered by the gentleman from North Carolina [Mr. BARDEN] to recommit House Resolution 419 to the Committee on House Administration, were (a) influenced in the casting of their votes because mobsters "are putting pressure on political circles back home, to my definite knowledge, which was reflected in the House of Representatives when they threw out the $100,000 appropriation"; (b) were influenced to cast their votes against the resolution "by hometown politicos who were in turn reached by hometown hoods." The article carries the further charge made by the chief counsel of the Bender subcommittee, Arthur Toll, (c) "that the mobs appear to have enough influence to reach into the House of Representatives to kill probes into labor racketeering." The article further states (d) that "For the second time in 90 days the influence of the country's lawbreakers apparently has been greater than the influence of the country's lawmakers." Then there is the further charge (e) that "expert criminologists who have been digging into the underworld for the Government now find themselves orphaned by an act of Congress"—a renewal of the false charge that the House was covering up for crooks and goons.

PRIVILEGE OF THE HOUSE AND PERSONAL PRIVILEGE

Rule IX, House rules, section 661, page 318, provides:

Questions of privilege shall be, first, those affecting the rights of the House collectively, its safety, dignity, and the integrity of its proceedings; second, the rights, reputation, and conduct of Members, individually, in their representative capacity only; and shall have precedence of all other questions, except motions to adjourn.

Please note that in the article by Victor Riesel, published in the Washington Times-Herald on March 5, 1954, and a hundred or more papers throughout the country, Arthur Toll, chief counsel for Chairman BENDER, of the Public Accounts Subcommittee of the Committee on Government Operations, is quoted as charging that the "mobs appear to have enough influence to reach into the House of Representatives to kill probes into labor racketeering," and with further charging that the influence of lawbreakers upon the Members of Congress was great enough to cause Members of Congress to reject an application for $100,000 to be used to expose racketeers and extortionists, and the same gentleman is also quoted in the same article as charging that Members of Congress who voted in favor of the Barden motion to recommit a resolution which came from the Committee on House Administration had been reached and influenced by "hometown politicos who were, in turn, reached by hometown hoods" to vote in favor of such recommittal motion.

Those quotations carry the charge directly and by implication that Members of Congress voted as they did on the occasion referred to because of the pressure put upon them by "hoods"—meaning gangsters—and "hometown politicos"—meaning persons of influence in the Congressman's district who did not have the good of the country at heart, who were selfishly seeking to kill proposed remedial legislation. Those statements and others in the same article charge—if the language means anything at all—that Members of the House who voted in favor of recommittal, and the House itself—because the motion to recommit was adopted, lacked integrity, were dishonest and corrupt, in that they had yielded their own judgment, voted under pressure for harmful legislation, because they were influenced by mob leaders, that is, hometown hoods, and by corrupt individuals who exerted pressure to kill legislation which was designed to lead to the exposure of criminals.

The argument that the article quoted does not raise a question of a privilege of the House and personal privilege of Members who voted in the affirmative on the motion to recommit, because it is only an expression of opinion, is unsound, for the reasons that the language of the charge is direct and admits of no construction other than the one that Members of Congress, instead of exercising their own judgment, yielded to corrupt pressure and were influenced by that pressure in casting their votes.

The argument that the article does not justify the granting of personal privilege to a Member who voted in the affirmative is without merit, because it directly charges that in casting their vote Members did yield to corrupt pressure, and the precedents are to the effect that to justify the granting of either the privilege of the House or the question of personal privilege it is not necessary to identify the Member by name, but that if by the surrounding circumstances he can be identified, any Member so identified may raise the question of personal privilege.

The broad charge that the Members of the House, or at least some of them, voted contrary to their convictions and because they were influenced by hoods, is a direct charge that the House lacks integrity, and that at least some of those who voted to recommit lack integrity in their representative capacity.

It should be noted that this article not only makes charges in behalf of the writer, but that in substantiation of those charges it gives direct quotes from an individual described as the chief counsel of a subcommittee of the House. It should also be kept in mind that the motion to recommit was on a resolution, House Resolution 419, which, as amend-

ed by the Committee on House Administration, reads as follows:

That the further expenses of conducting the studies and investigations authorized by clause 8 of rule XI of the Rules of the House and House Resolution 150, as amended by House Resolution 339, 83d Congress, incurred by the Public Accounts Subcommittee of the Committee on Government Operations, not to exceed $100,000 additional, shall be paid out of the contingent fund of the House on vouchers authorized by such subcommittee, signed by the chairman thereof, and approved by the Committee on House Administration.

Please note that that resolution, whatever the discussion on the floor may have been, was an application by the Public Accounts Subcommittee of the Committee on Government Operations for $100,000, and did not in any way refer to an investigation of either racketeering or extortion.

Permit a few words as to the precedents.

PREVIOUS SPEAKERS HAVE HELD—

Hinds' Precedents of the House of Representatives, volume 3:

2538. The statement by a Member that a certain thing "is rumored" is sufficient basis for raising a question of privilege.

2694. A newspaper charge that a Member had been influenced in his action as a Representative by the Speaker was held to involve a question of privilege.

2701. A newspaper charge that a Member of the House has been influenced by Executive patronage was submitted as privileged, but the House declined to investigate.

A contention that common fame was sufficient basis for the House to entertain a proposition relating to its privileges.

2703. A newspaper article charging certain Members by name with conspiracy to defraud the Government was presented as a matter of privilege.

2709. A newspaper allegation that a certain number of Representatives, whose names were not given, had entered into a corrupt speculation was held to involve a question of privilege.

2710. A general charge of violation of law by Members, although not specifying the offense as within the existing term of service, was held to present a question of privilege.

Cannon's Precedents of the House of Representatives, volume 6:

398. Discussion of the power of the House to punish persons other than Members for offenses affecting the dignity, orderly procedure, or integrity of the House.

563. The statement in a telegram, published in a newspaper, that a resolution introduced by a Member was "a tissue of misrepresentation" was held to involve a question of personal privilege.

576. Charges published as newspaper advertising that "Bad bills pass without reading" and "Steals are attempted" were held so to reflect upon the integrity of the proceeding of the House as to support a question of privilege.

580. A resolution charging conspiracy to influence Members of Congress improperly was considered as a matter of privilege.

582. A resolution charging that a Member's action in his Representative capacity had been influenced by support received in his election to the House was presented as a question of privilege.

603. Charges that a Member serves interests conflicting with his official duties involve a question of privilege.

607. Aspersions upon a Member unnamed may be made the basis of a question of privilege if it is obvious to whom application was intended.

613. Newspaper charges impugning the veracity of a Member in statements made on the floor support a question of privilege.

616. Although a newspaper article reflecting on a Member may not mention him by name, yet if from the implication the identity of the Member referred to is unmistakable it is sufficient to warrant recognition on a question of privilege.

617. It is not essential that a newspaper editorial mention a Member's name in order to present a question of privilege and it is sufficient if the reference is accurate enough to identify him.

Statements impugning motives prompting Members in the discharge of their official duties sustain a question of personal privilege.

619. Newspaper charges attributing to a Member dishonorable action in connection with matters not related to his official duties were held to sustain a question of personal privilege.

621. A newspaper reference to "rascally leadership" as attributed to a Member was held to justify recognition on a question of personal privilege.

Cannon's Precedents of the House of Representatives, volume 8:

2216. Statements in published hearings of a committee attributing unworthy motives to a Member for acts in representative capacity give rise to a question of privilege even though not noted at the time nor reported by the committee.

2479 (see p. 204). Reference in a newspaper article to a Member as a "congressional slacker" was held to present a question of personal privilege.

3495. Intimation that Members were influenced by mercenary considerations in the exercise of their official duties was held to give rise to a question of privilege.

Cannon's Precedents, volume 7, 1936, section 911, pages 76 and 77:

911. On January 3, 1917,[1] a Calendar Wednesday, Mr. William R. Wood, of Indiana, rising to a question of privilege, offered the following resolution:

"Whereas Thomas W. Lawson, of Boston, gave to the public a statement which appears in the daily newspapers under date of December 28 and 29, 1916, in which he says, amongst other things, that 'If it was actually believed in Washington there was to be a real investigation of last week's leak, there would not be a quorum in either the Senate or House next Monday, and a shifting of bank accounts similar to those in the good old sugar-investigation days,' and in another statement, which appears in the daily press of December 31, 1916, he says, 'The good old Capitol has been wallowing in Wall Street leak grafts for 40 years, wallowing hale and hearty'; and

"Whereas the statements of the aforesaid Thomas W. Lawson, and each of them, affect the dignity of this House and the integrity of its proceedings and the honesty of its Members:

"*Resolved*, That the Speaker appoint a select committee of five Members of the House and that such committee be instructed to inquire into the charges made by the aforesaid Thomas W. Lawson, and for such purposes it shall have the power to send for persons and papers and enforce their appearance before said committee, and to administer oaths, and shall have the right to make report at any time."

Mr. Finis J. Garrett, of Tennessee, made the point of order that the resolution was not in order on Wednesday.

The Speaker[2] overruled the point of order and recognized Mr. Wood to move disposition of the resolution.

[1] 64th Cong., 2d sess., RECORD, p. 807.
[2] Champ Clark, of Missouri, Speaker.

Mr. Speaker and Members of the House, this resolution on the question of privilege of the House comes up subsequent to the vote on the motion to recommit House Resolution 468 when properly it should have come first. Unfortunately, when I raised the question several days ago, I was advised that my statement did not raise a question of privilege of the House. But, of course, we are all entitled to change our minds, and I am glad to know that it does raise such question. It would be strange indeed to permit such a charge to stand unanswered by the House.

Now, the question grows out of—and I will endeavor to get along without the hour, probably 20 minutes—an article which was published, as stated, on March 5th last in some 100 newspapers of the country. That article will be printed at the close of my remarks as exhibit A.

Permit me to call attention to some of the statements. They raise a question on which the House should pass.

There are precedents which have been cited where the House has acted in years gone by. This article is captioned "Growing Power of Mobs." I quote:

For the second time in 90 days the influence of the country's lawbreakers apparently has been greater than the influence of the country's lawmakers.

Do you sense that? The lawbreakers have more influence than the lawmakers. That means the Congress.

That's the flat charge of expert criminologists who have been digging into the underworld for the Government—and now find themselves orphaned by an act of Congress.

For the second time in 90 days a responsible chief counsel of a crime-busting congressional subcommittee—

Of the House Government Operations Committee—

has bluntly told me that the mobs appear to have enough influence to reach into the House of Representatives to kill probes into labor racketeering.

That means influencing our votes here.

This latest charge came from Arthur Toll, chief counsel for the labor-racket subcommittee of the House Government Operations Committee. The charge came as reports from field investigators told of the mob terrorization of businessmen, honest union leaders, and rank-and-file members.

So far as I know, the chairman of that subcommittee, the gentleman from Ohio [Mr. BENDER], who is responsible for the statements of his chief counsel, Arthur Toll, has never repudiated that charge, made any excuse or apology for it; nor has he ever, so far as I know, attempted to justify it, as I now challenge him to do or admit its falsity. The rest of the statement I shall print; it is along the same line.

I do not care particularly whether anybody stays and listens, but I intend to get this off my chest.

Under the rules, you cannot refer to the people in the gallery, but there are a lot of visitors in Washington. So permit me to continue uninterrupted.

I realize that the papers will not print anything that is not along the leftwing line. I noticed in yesterday's paper, and again this morning's, the Michigan State central committee chairman—and I call

this to the attention of my distinguished friend from Michigan [Mr. CEDERBERG], who sits just in front of me—said in his conference out in Oklahoma, where they are trying to lay plans to elect more Republican Congressmen to the next Congress—that they did not want a certain individual from Wisconsin speaking in Michigan. This is a little outside of my talk, perhaps, but I will say to the gentleman that I wrote him a letter this morning, as well as the other Congressmen from Michigan, the Republicans, asking them to help me set off the Fourth Congressional District in some way so that I could ask that gentleman from Wisconsin to speak over in my district, because my people want to hear him. If you will help me along that line, I will certainly appreciate it. I beseech your aid. Notwithstanding the position of the Republican State central committee chairman, some folks still want to hear Joe. I do not mean "Good Old Joe," the one Harry Truman called "Good Old Joe"; I do not mean that Joe. I mean another Joe; and you know who I mean. My people want to hear him—they want both sides of the issue.

The purpose here—and I shall put this in the RECORD and cut this talk short, and if any of the Members are interested, they can read it—the purpose I had in speaking earlier was to announce that I was offering a motion to recommit. I shall read that motion to recommit. It is that this resolution be recommitted to the Committee on House Administration, with instructions to report the same back forthwith to the House, with the following amendment:

Strike out all after the comma following the word "Congress" in the fourth line, and insert in lieu thereof the following: "incurred in connection with studies and investigations, including hearings and the filing of reports, in connection with extortion, racketeering, violations of the Anti-Racketeering Act of 1934, as amended, by the Public Accounts Subcommittee of such Committee, not to exceed $52,000 additional, shall be paid out of the contingent fund of the House on vouchers authorized by said subcommittee, signed by the chairman thereof."

That would be Mr. BENDER. He would have the money and he could sign the vouchers and do just as he pleased.

But apparently the leadership from the scurrying around I saw did not want a vote on the real issue.

Very adroitly, notwithstanding that these charges have been made time and time again, that the House denied funds to investigate racketeering—very adroitly and successfully, along comes a motion from the other side to recommit generally, and giving $155,000 to these three subcommittees which have already prior to today, been given $195,425. Today they were given an additional $155,000—a total of $350,425.

I am glad that the economy-minded gentlemen over here, I am so happy that they went along with that economy move in connection with their own activities as members of the subcommittees. The gentleman from Illinois [Mr. DAWSON] told about a committee that he sent abroad. I suppose he was referring to the Bonner subcommittee. They did a magnificent job. There is no question about it. So far as I have ever been able to learn, no one has ever criticized that subcommittee for that trip, nor the reports that they filed. He sent two other subcommittees abroad. One went East and one went West. Neither ever filed a report that was adopted by the House—ever filed a report that was adopted by the committee.

Two of those gentlemen who were on that trip of the Bonner subcommittee, which spent 42 days on a trip around the world—they went again this year for 24 days; a total of 66 days abroad at the taxpayers' expense; whether they will go again with this $155,000, I do not know; I do not care. That is their business. But should they talk about economy and then get their experience abroad on tax dollars?

The gentlemen here have heard me say several times that if we want to balance the budget, if we want to lessen the tax burden, all we have to do is to cut expenditures. In fact, I think, from what I have seen since I have been around, all we need to do to balance the budget is to cut out unnecessary and wasteful expenses of the administration and of the Congress itself; maybe my own as committee chairman. But I get no help from subcommittee chairmen. I have urged that we cut out some of the things that we do here that have to do with this deficit. The gentleman from Illinois [Mr. DAWSON] has been one of my severest critics, because I would not pay committee members' staffs more money. Am I right? The gentleman nods his head yes.

Mr. DAWSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Illinois.

Mr. DAWSON of Illinois. I do think that staff members should be adequately paid, yes.

Mr. HOFFMAN of Michigan. So do I; and I might say by way of confession but not of avoidance that I think maybe we are paying some of them more than we should; but still we have not paid the staff members, those who are doing the actual work in some of our committees, up to where they would be on a comparative basis with downtown Federal employees.

Now, back to this false charge, and then I will cut it short.

The point is this: We were charged by the counsel of the Bender subcommittee, the House was charged by that gentleman with voting as it did because of the influence of goon squads in our local communities. I repeat, that charge was false. If the House wanted to evade answering that charge on its merits by voting down the motion to recommit, by refusing to give me an opportunity to offer a resolution authorizing the investigation into racketeering, that is all right with me. My position is clear.

At no time can it be honestly and truthfully said that I have ever faltered for one instant, in one word, or in one act, in showing evidence of being willing to go ahead and complete the job on which we started.

It was my privilege to appoint a three-man subcommittee of the Committee on Government Operations, which, acting harmoniously and in conjunction with a similar subcommittee appointed at my request by the chairman of the House Committee on Education and Labor, held hearings in Detroit in June; in Kansas City in June and July—hearings which, in Kansas City alone, restored jobs to more than 25,000 workers; gave protection to locals of the A. F. of L.; resulted in indictments in both Kansas City and Detroit.

Then, as a member of a subcommittee of the House Committee on Education and Labor, hearings in Detroit in November, based upon information obtained and made available by staff members employed and directed by me, resulted in the disclosure of unconscionable extortion and racketeering in that city. If the testimony developed at those hearings is adequately followed up, I have not the slightest doubt but that indictments and convictions will result.

No complaint has ever been made by any member of the House Committee on Government Operations that those hearings, as instigated by me, resulted in the needless expenditure of a single dollar; that there was the slightest impropriety in the manner in which they were conducted. Nor was any fault ever found with the result of those hearings.

Nevertheless, members of the Committee on Government Operations, who have now had made available to them $350,425, voted to kill the investigations which I was conducting and which were holding up to public view the conspiracy which was extorting millions of dollars from innocent people.

Members of the Committee on Government Operations killed the committee which was doing a good job; which would have completed its work, insofar as this Congress is concerned, with the money it had on hand, and gave the job to the gentleman from Ohio, who is a candidate for the Republican nomination for United States Senator from that State.

That gentleman's chief counsel has already, if he was correctly quoted, and, so far there has been no contention that he was not, charged the House with a lack of integrity, and the subcommittee chairman himself instigated a procedure in connection with the hearings which were scheduled for Friday, last, in Minneapolis, which cannot be successfully maintained.

As an ex officio member of the Bender subcommittee, I shall do my utmost to see that the subcommittee conducts itself within the law; that it does a thorough job.

With that I leave it. I ask for a vote on this resolution, which authorizes the Speaker to appoint a committee of five to report within 20 days, to do what? To take a look at the article, perhaps call in the counsel who made the false statement and charge and then determine whether it is meet and fit that a subcommittee or a committee counsel shall in the press charge that the House acted because of the influence of racketeers. If we do not resent false charges as to the integrity of the House we should not complain if the people fail to respect the Congress.

We should at least have the courage to deny obviously false charges which

reflect upon the integrity of the House as a whole when made by a committee employee without rebuke by his superior.

EXHIBIT A

[From the Washington Times-Herald of March 5, 1954]

GROWING POWER OF MOBS

(By Victor Riesel)

For the second time in 90 days the influence of the country's law breakers apparently has been greater than the influence of the country's law makers.

That's the flat charge of expert criminologists who have been digging into the underworld for the Government—and now find themselves orphaned by an act of Congress

For the second time in 90 days a responsible chief counsel of a crime-busting congressional subcommittee has bluntly told me that the mobs appear to have enough influence to reach into the House of Representatives to kill probes into labor racketeering.

This latest charge came from Arthur Toll, chief counsel for the labor racket subcommittee of the House Government Operations committee. The charge came as reports from field investigators told the mob terrization of businessmen, honest union leaders and rank-and-file members.

ATTACKED BY MAFIA

This charge was made only a few minutes after I sat in on a conference of AFL leaders who themselves are under attack by a Mafia mob with incredible power in some parts of Pennsylvania. These AFL labor leaders are disturbed and are planning to fight back against a mob which only two weeks ago threw stench bombs of such modern design into a shop that it is no longer a question of just discarding the damaged dresses. The stench is so powerful it has impregnated the machinery—and after 2 weeks it is still clinging so adhesively that the problem now is how to use the building again.

The bomb was thrown into a shop owned by Abe Glassberg, a garment manufacturer and an official of the Pennsylvania Dress Producers Association, which the mob syndicate would like to take over. The shop is in Hazelton. And only the other day another plant was bombed in Scranton.

So amid the bursting of bombs, the heaving of heavy bolts through store and restaurant windows and amid an enormous system of shakedowns, the House of Representatives rejects the Bender subcommittee bid for $100,000 to dig into these rackets. This is not to say that all or even the majority of the Congressmen who voted against financing the anticrime probe were reached by hometown politicos who were, in turn, reached by hometown hoods.

HIRED INVESTIGATOR

But this is how Arthur Toll, Congressman BENDER'S chief counsel, sees it. This is how the embittered investigator put it to me:

"I feel that the fact that we hired Downey Rice and an extremely competent and experienced staff of investigators who exposed the national racket syndicates when they were with Senators KEFAUVER, LYNDON JOHNSON and the late Charles Tobey, caused the mobsters to know we mean business.

"They are putting pressure on political circles back home, to my definite knowledge, which was reflected in the House of Representatives when they threw out the $100,000 appropriation.

"We are not stopping. We are using what little money we have to proceed as planned to hold hearings so that we can graphically illustrate to the Members of Congress that there are very serious problems in this field.

"There are no indications that any other committee of Congress plans to go into the field of labor rackets and terror. The House Labor Committee is going into the field of union welfare funds, but they are not concerning themselves with other aspects of labor racketeering. We feel that this field is certainly big enough for both committees."

THEY WILL CONTINUE

"I want to say definitely that a preliminary survey by our staff has already shown many instances of racketeering.

"Our experts are impressed with the fact that it is simply our duty to continue. We will so long as we have any funds."

The staff Toll referred to includes Fred Plant, the ex-FBI agent who conducted virtually all the questioning of Whittaker Chambers which resulted in terrific knowledge of Alger Hiss' spy ring. Chambers once called Plant a "walking archive on Russian espionage," so competent an investigator is he.

The other probers include men who cracked the North African military base scandal, exposed the gambling rings around Army camps, and threw the spotlight on the crime-infested waterfronts.

Let them loose—but don't cut them loose. Who's terrorizing who these days?

Mr. HALLECK. Mr. Speaker, I ask for recognition on the resolution.

The SPEAKER. The gentleman is recognized.

Mr. HALLECK. Mr. Speaker, the gentleman from Michigan is of course within the rules in offering this resolution. I do not know whether he discussed the matter with anyone else or not, but certainly he did not discuss it with me because the first information I had of it was the offering of the resolution here just now.

I have tried as best I could to determine what course should be taken. Of course we all realize that by and large the appointment of special committees has been frowned upon in many quarters. As near as I can determine and after some consultation as best I could with other persons of responsibility here in the House of Representatives, it occurs to me that this resolution might more properly be referred to the Committee on the Judiciary. I am quite certain that committee could make whatever investigation is necessary and make whatever determination should be made about it, and moreover so conduct itself as to do substantial justice in the circumstances. So, Mr. Speaker, it is my intention to move that this resolution be referred to the Committee on the Judiciary.

Mr. HOFFMAN of Michigan. Mr. Speaker, I have no objection to that just as long as you go into it, and look into it. I do not care who does it. I am not looking for a job.

Mr. HALLECK. Mr. Speaker, I move that the resolution be referred to the Committee on the Judiciary.

The SPEAKER. The question is on the motion of the gentleman from Indiana.

The motion was agreed to, and a motion to reconsider was laid on the table.

THE LATE MRS. CORDELL HULL

The SPEAKER. The Chair recognizes the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Speaker, I know that I speak the sentiments of all of my colleagues when I express my regret in the recent death of Mrs. Cordell Hull, the wife of our distinguished forber Secretary of State, and that all my colleagues join with me in extending to that great American and outstanding statesman, Cordell Hull, our profound sympathy in his great loss and sorrow.

Mrs. Cordell Hull was highly respected by everyone. Her love and devotion to her great husband was known everywhere and constituted an inspiration for all others to follow. From the time of their marriage on November 24, 1917, Mrs. Hull has been an outstanding example of an ideal wife and a fine lady. She dedicated her entire life to looking after the well-being of her distinguished husband. She was his constant companion throughout the years; watching over his health and his person and guarding and directing him well. As the Washington Post well said in an editorial that appeared in its issue of March 28, 1954:

For 37 years, until her death Friday, Rose Frances Hull merged her own life in the life of her distinguished husband, Secretary of State throughout the turbulent first decade of the Roosevelt administration. No public man has had, or could have had a more devoted helpmeet. Only Cordell Hull himself can know how much she was the source of his strength and the sharer of his burdens. But a Nation grateful for the services he has rendered to it will share his sorrow in a loss which must seem to take away a vital element of his own life.

There is no question but what a Nation that admired her keenly regrets her passing.

To my dear friend, former Secretary of State Cordell Hull, I extend the profound sympathy of Mrs. McCormack and myself in his great loss and sorrow.

[From the Washington Post and Times-Herald of March 28, 1954]

MRS. CORDELL HULL

For 37 years, until her death Friday, Rose Frances Hull merged her own life in the life of her distinguished husband, Secretary of State throughout the turbulent first decade of the Roosevelt administration. No public man has had, or could have had, a more devoted helpmeet. Only Cordell Hull himself can know how much she was the source of his strength and the sharer of his burdens. But a Nation grateful for the services he has rendered to it will share his sorrow in a loss which must seem to take away a vital element of his own life.

Mrs. Hull was almost always with her husband when he made his diplomatic journeys—and no Secretary of State before him had ever traveled so widely. She assumed a major portion of his diplomatic duties when they were at home—the formal calls, the attendance at receptions, teas and numerous official functions. She was beloved by the ladies of the press, a faithful attendant at press luncheons and a generous helper to those in search of a story or a touch of colorful, corroborative detail.

When Mr. Hull retired in 1944, she claimed him for her exclusive own, helping him with his mail, caring for his health, cherishing the privacy that came as a reward for long years of public life. It was commonly believed that Mrs. Hull imposed a veto upon consideration of her husband for the Presidency in 1940. "My husband isn't even a prospective candidate," she declared vehemently. She wanted the autumn of his life to be spent in peace. It must be a solace to Cordell Hull that they spent it together.

I yield to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Speaker, Cordell Hull was a Member of the House of Representatives when I first came here. I lived in the same hotel that he did for 3½ years. His charming lady before he married her, also lived there. So I watched their beautiful courtship. She was one of the most charming and ladylike women it has ever been my privilege to know. She had those rare elements of loyalty to people and to causes. As has just been said by my distinguished colleague the gentleman from Massachusetts [Mr. McCORMACK], she dedicated more than one-third of a century of her life to being a loyal and wonderful helpmate. May I take this occasion to say also that in Cordell Hull, I think the people of America have had one of the greatest statesmen in all the history of this country of ours. He has left his mark and when he goes, there will go one of the men who has been of the greatest service to his day and generation and to generations to come, as any man who has ever lived under our flag.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Speaker, I desire to join with our distinguished minority leader and the gentleman from Massachusetts in expressing very sincere and genuine regret at the passing of Mrs. Cordell Hull.

On behalf of the entire Tennessee delegation, I wish to state it was indeed a great shock that we heard of the passing of this most charming and gracious lady.

It was my privilege to serve one term with Mr. Hull in the House before he went to the Senate, and to enjoy a very warm and close friendship with both Mr. and Mrs. Hull for many years.

I join in the statement made here that Hon. Cordell Hull stands out in bold relief as one of the greatest statesmen of this country and the world in all time. I am sure I voice the true sentiment and feeling of all of his friends here, as well as all of the people of Tennessee and the Nation, and many throughout the world, when we convey to him our sincere sympathy in this time of his greatest bereavement.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to include as a part of my remarks an editorial appearing in the Washington Post.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may have permission to extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FRAZIER. Mr. Speaker, I was greatly shocked to learn of the sudden death of Mrs. Cordell Hull. The Nation, and especially the people of Tennessee, are deeply grieved over her passing.

As the beloved wife of the great Secretary of State, the Honorable Cordell Hull, she was known and admired throughout the world. Mrs. Hull had a place that can never be filled in the hearts of all Tennesseans. She was always gracious, kind, and considerate, and possessed all the finer qualities so greatly admired by everyone.

Our deepest sympathy goes out to Secretary Hull in the great loss he has sustained.

Mr. THOMPSON of Texas. Mr. Speaker, the passing of Mrs. Cordell Hull brings a particular sense of loss to Mrs. Thompson and me. The Hulls have been our neighbors for a number of years, and we have been blessed with many opportunities to sit and visit with this delightful and inspiring couple.

Our acquaintance goes back to 1933 when Mrs. Thompson was a very young Congressman's wife undertaking her official calls. Among the first of them was upon the wife of the distinguished Secretary of State. Instead of merely being permitted to drop cards, she found herself invited in to meet Mrs. Hull and various other ladies who also were calling. Mrs. Hull was so gracious to her, so interested in her desire to pay her calls and otherwise be helpful to her husband, and so generous in her desire to be helpful, that Mrs. Thompson left the Hull home with an encouragement and inspiration that has remained with her until now.

We have seen at close hand how Mrs. Hull watched over the Secretary, gently but firmly regulating his callers, sparing his strength, and conserving his time and energy.

Cordell Hull may well go down in history as the greatest American of our day. Certainly those who have known them both will agree that he could only have attained his greatness with Mrs. Hull by his side.

We join with other Members of the House and close friends in extending our sincere sympathy to Mr. Hull.

Mr. RABAUT. Mr. Speaker, I join with others of my colleagues in extending our consolation at this time to our former Secretary of State, Cordell Hull, on the death of his beloved wife.

It was my great pleasure to have known Mr. Hull very well in the course of my duties as former chairman of the State Department Appropriation Subcommittee. I well recall how, in the social functions he undertook, the delicate hand of Mrs. Hull was always so pleasantly evident.

My prayers are with him in this moment of sorrow and for the happy repose of her soul.

Mr. EVINS. Mr. Speaker, on Saturday last a great and gracious lady was laid to rest in a crypt of the National Cathedral, an honor in death reserved for the Nation's most distinguished. The simple ceremony of solemn dignity brought to a closing the unique life of selfless service and devotion which Mrs. Cordell Hull rendered to the Nation and the world in her role as helpmeet and inspiration of one of our greatest Americans.

Next to the devoted members of her own eminent family of Virginians, I would say that Mrs. Rose Frances Witz Hull is mourned most deeply by the citizens of the Fourth District of Tennessee and the State of Tennessee to whom she was best known and by whom she was loved and admired from the day upon which she became the bride of the statesman who was destined later to show the way to a free and peaceful world.

But the passing of Mrs. Hull has likewise brought sadness and a deep feeling of loss to crowned heads and statesmen throughout the world, personages who knew her and came within the orbit of her gifted and charming individuality.

In the truest and highest sense and meaning, Mrs. Hull exemplified the especial connotations associated with "wife, helpmeet, companion, inspiration."

From the day of her marriage to Cordell Hull, she exerted to the utmost her fine intelligence, graciousness, interest, and warmth of personality to become a buffer for her rising husband and as a protection for him in order that the resources of his great mind and unselfish aspirations not be dissipated in unimportant labors.

And yet, at all times her heart and his were freely open to those from all walks and stations of life who through friendship, sentimental ties or common purpose and interest sought the company of Judge Cordell Hull.

Rose Frances Witz Hull was born, 1 of 8 children, in Staunton, Va.—where she died—on September 8, 1874. She was educated at Mary Baldwin Seminary, now Mary Baldwin College, in Staunton, and from her alma mater in 1939 she received the only public accolade which she accepted of the many which were proffered her—the Algernon Sidney Sullivan Award for distinguished citizenship.

She and Mr. Hull were married on November 24, 1917, and during the remainder of his tenure of his service as Congressman and Senator they journeyed to Tennessee for the annual congressional recesses and lived among friends who loved them most.

Among the people of Tennessee, as among the illustrious personages of high Government stations of ours and other nations, Mrs. Hull was esteemed and beloved. Mrs. Hull was ever, in Washington, Tennessee or distant capitals of the world, an individual of complete naturalness and versatility, of innate warmth and sympathy.

In the years when Cordell Hull was serving his Nation as Secretary of State, her watchful care and protection were even more pronounced and through her care she conserved the energies and dynamic enterprise of this world statesman. When retirement for health was demanded of Mr. Hull, she accompanied him into the seclusion which was dictated by his declining health, and in her unselfish devotion continued to meet the exigencies of life and duty.

The great former Secretary of State, in his winter years, has been deprived of the companion and helpmeet of his heart and life and to him the deep and sincere sympathy of all is freely extended. May the inspiration which she gave him, the loving companionship

which existed between them, form cherished memories which will comfort Tennessee's most distinguished living and beloved son, Judge Cordell Hull.

CERTAIN PETITIONS FROM MAINE

Mr. McINTIRE. Mr. Speaker, I ask unanimous consent that under clause 1, rule 22, certain petitions from my district may be laid on the desk.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

SPECIAL ORDERS GRANTED

Mr. KEAN asked and was given permission to address the House for 40 minutes on Wednesday next, following the legislative business of the day and any other special orders heretofore entered.

Mr. BROWNSON asked and was given permission to address the House today for 15 minutes, following the legislative business of the day and any other special orders heretofore entered.

Mr. SHAFER asked and was given permission to address the House for 25 minutes on tomorrow, Tuesday, following the legislative business of the day and any other special orders heretofore entered.

Mr. POWELL (at the request of Mr. FRIEDEL) was granted permission to address the House for 30 minutes on March 31, following the legislative business of the day and any other special orders heretofore entered.

DEATH PENALTY ASKED FOR ACTS OF VIOLENCE AGAINST BRANCHES OF GOVERNMENT

Mr. DAVIS of Georgia. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. DAVIS of Georgia. Mr. Speaker, acts of violence directed toward Government or a branch of the Government as such by terrorists or anarchists constitute more serious offenses than crimes of violence directed toward individuals.

An attack with a deadly weapon made at the seat of government upon the chief officers of our three departments which has for its purpose the hindering, impeding, or obstructing the transaction of the business of Government, or intended to intimidate such officer in the performance of his official duties, should be punishable by death or by imprisonment, in the discretion of the judge trying the case. The law should provide, I think, that the court should have the authority to impose a death sentence if the offense, in the judgment of the court trying the case, is of such serious nature as to merit a death sentence, even though no loss of life resulted from such attack.

When the attack by the so-called Puerto Rican Nationalists was made upon the House of Representatives on March 1, I inquired to find out what laws are on our statute books to protect the chief officials of our three departments of Government, executive, legislative, and judicial, from such attacks as the one perpetrated. I learned that we have no statute to cover such an offense other than the laws dealing with various grades of assault perpetrated upon individuals.

By its very nature, an attack upon one of our departments of Government is a most heinous and serious offense. Even though the death penalty might never be invoked in such a case, I feel that a law on our statute books authorizing the death penalty in the discretion of the courts might itself have a deterring effect upon any person who might in the future contemplate such an attack upon one of our departments of Government.

I am, therefore, today introducing a bill which provides that any person who attacks the President of the United States with a deadly weapon anywhere, or whoever attacks the Chief Justice of the United States, an Associate Justice of the Supreme Court, a Senator, or a Representative, with a deadly weapon in the District of Columbia, for the purpose of hindering, impeding, or obstructing the transaction of the business of the Government, or for the purpose of intimidating any such official in the performance of his official duties, may be sentenced to death or imprisonment for life or for any term of years.

COMMITTEE ON BANKING AND CURRENCY

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the minority members of the Committee on Banking and Currency have until midnight tonight to file a minority report on the housing bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

SPECIAL ORDER GRANTED

Mr. HOLIFIELD asked and was given permission to address the House for 20 minutes today and tomorrow, following the legislative program and any special orders heretofore entered.

GENERAL PERMISSION TO EXTEND

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent that all members who speak on the independent offices bill in the Committee of the Whole today may have permission to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent that any member of the Committee on Appropriations in addition to being permitted to revise and extend his remarks may also include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

INDEPENDENT OFFICES APPROPRIATION BILL, 1955

Mr. PHILLIPS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8583) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes.

Pending that, Mr. Speaker, I ask unanimous consent that general debate continue throughout the balance of the day to be equally divided and controlled by the gentleman from Texas [Mr. THOMAS] and myself.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 8583, with Mr. GRAHAM in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. PHILLIPS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Committee on Appropriations submits today a bill making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes. That statement is quoted from the title of the bill, and is comprehensive. I speak for the Subcommittee on Independent Offices, in which subcommittee the bill originates, and I speak with that satisfaction which any committee chairman would feel, realizing that over the years he has served on the committee, there have been remarkably few differences of opinion, and nothing that might be called serious controversy. It has been a hard-working committee, a statement which establishes no distinction between this subcommittee and any other, of the committee on Appropriations, and I now express, as chairman, to the members of the subcommittee; the gentleman from New Hampshire [Mr. COTTON], the gentleman from North Carolina [Mr. JONAS], the gentleman from North Dakota [Mr. KRUEGER], the gentleman from Texas [Mr. THOMAS]—whose remarkable grasp of details and figures has been displayed constantly during his 4 years as chairman and his present 2 years as ranking minority member—the gentleman from Alabama [Mr. ANDREWS], and the gentleman from Illinois [Mr. YATES], my sincere appreciation for the cooperation I have had in the present and past sessions.

It is an interesting thing about this bill that, although it covers the housekeeping area of government administration, and although it contains the budget for practically every agency which is not

attached directly to a department; that is to say, under the supervision of a Cabinet officer, and although we on the subcommittee work with it constantly during the tenure of each session, it is usually difficult for us to answer the simple question, "How many agencies do you have in your appropriation bill?"

If that sounds like a curious statement, Mr. Chairman, let me put the proposition to you in simple language. We have the budget for the Executive Office of the President, for which we appropriate in the current budget, $8,770,700. If we take that total figure, we have combined, in one item, the compensation of the President, the operating costs and the personnel costs at the White House, the costs of care for the White House and the grounds, the Bureau of the Budget, the Council of Economic Advisers, the National Security Council, the Office of Defense Mobilization, the Emergency Fund for the President—for national defense—and the expenses of the Committee Investigating Management Improvement. The latter item is for the work of the committee known as the Rockefeller committee. It is obvious that several of these items should be separated and considered as separate agencies, notably the Bureau of the Budget, the Council of Economic Advisers, the National Security Council, and the Office of Defense Mobilization, but if we separate these four shall we consider all the others as one agency or shall we separate still further?

To take another example, Mr. Chairman, we have an item for the Housing and Home Finance Agency, but we have direct appropriations of new money, in the budget, for the Office of the Administrator—set up by the Congress as a separate function, or agency, in a reorganization bill—and for the Public Housing Administration, which was created by a separate statute, and still operates, in some respects as a quasi-independent agency. Then, still under the heading of the Housing and Home Finance Agency, we turn to the end of the bill—page 48 of the report—and we find under a heading, "Administrative expenses," that the Congress puts limitations on corporate funds to be expended by certain agencies, apart from appropriated funds, and among these agencies we find the Federal National Mortgage Association, familiarly known as Fannie May, the Home Loan Bank Board, the Federal Savings and Loan Insurance Corporation, the Federal Housing Administration, and certain functions again of the Public Housing Administration, and these you will recognize immediately, Mr. Chairman, as being agencies once set up by separate statutes, in most instances, and still having certain elements of independence or individuality.

A satisfactory analysis of the independent agencies which come before the Congress each year, or particularly this year, in the independent offices appropriation bill, would suggest a listing of 44 agencies, as follows:

First. The Executive Office of the President, including his salary, the operating costs and care of the White House and its grounds, the President's emergency fund, and similar incidental expenses.

Second. The Bureau of the Budget.

Third. The Council of Economic Advisers.

Fourth. The National Security Council.

Fifth. The Office of Defense Mobilization.

Sixth. The Defense Transport Administration.

Seventh. The Rockefeller committee.

Eighth. The Hoover Commission.

Ninth. The Manion Commission.

The money to finance these two commissions was approved by the Congress in the second supplemental, 1954, approved March 6, 1954, Public Law 304.

Tenth. The American Battle Monuments Commission.

Eleventh. The Atomic Energy Commission.

Twelfth. The Civil Service Commission.

Thirteenth. The Federal Communications Commission.

Fourteenth. The Federal Power Commission.

Fifteenth. The Federal Trade Commission.

Sixteenth. The General Accounting Office.

Seventeenth. The General Services Administration, including the Public Buildings Service.

Eighteenth. The Federal Archives.

Nineteenth. The Franklin D. Roosevelt Memorial Library.

Twentieth. The administrative functions of the Housing and Home Finance Agency.

Twenty-first. The Public Housing Administration.

Twenty-second. The Federal Housing Administration.

Twenty-third. The Federal National Mortgage Association.

Twenty-fourth. The Home Loan Bank Board.

Twenty-fifth. The Federal Savings and Loan Insurance Corporation.

Twenty-sixth. The Interstate Commerce Commission.

Twenty-seventh. The Indian Claims Commission.

Twenty-eighth. The Interstate Commission on the Potomac River Basin.

Twenty-ninth. The National Advisory Committee for Aeronautics.

Thirtieth. The National Capital Housing Authority.

Thirty-first. The National Capital Planning Commission.

Thirty-second. The National Science Foundation.

Thirty-third. The Renegotiation Board.

Thirty-fourth. The Securities and Exchange Commission.

Thirty-fifth. The Selective Service System.

Thirty-sixth. The Small Business Administration.

Thirty-seventh. The Smithsonian Institution.

Thirty-eighth. The National Gallery of Art.

Thirty-ninth. The Subversive Activities Board.

Fortieth. The United States Tariff Commission.

Forty-first. The Tennessee Valley Authority.

Forty-second. The Tax Court of the United States.

Forty-third. The Veterans' Administration.

Forty-fourth. The War Claims Commission.

I have the feeling, Mr. Chairman, even as I recite this list of 44 agencies of Government which may be considered separate agencies before the subcommittee, that I may have overlooked 1 or 2 which are presently combined technically or legally, with some other agency of the Government, or which have come to us in supplementals this session.

In my comments today, on behalf of the subcommittee, I will confine myself therefore to a brief comment upon the appropriation items, as a total; to comments upon 1 or 2 of the agencies regarding which there should be points properly brought to your attention, Mr. Chairman, and then to somewhat more detailed comments upon a few agencies, or the appropriations for those agencies, concerning which there may be discussion or inquiry.

TRANSPORTATION POOLS

On page 2 of the report, you will see a strong recommendation, on the part of the Committee on Appropriations, urging that authority be given to the General Services Administration, by the Committee on Government Operations and by the Congress, to create and operate and maintain transportation pools. It would probably astonish you, Mr. Chairman, to learn how much money can be saved in a single year by the creation and operation of such pools. This was tried out recently in Denver, at the personal suggestion of the President himself, and the figures regarding the results, in that one instance, appear on pages 1579 to 1581 of volume 2 of the hearings. It is estimated that the savings by the operation of such pools more widely, under the supervision of the General Services Administration, could save as high as $40 million per year, as opposed to the present uneconomic use of automobiles by the separate agencies and departments.

PRINTING AND REPRODUCTION

As a general statement, which I shall not repeat in each instance, the Government Printing Office announced, on February 1, that it would decrease its charges to Government agencies 5 percent. Since the 1955 budget estimates had already been delivered to us, this 5-percent reduction has been made for each separate agency having an item covering printing and reproduction. For example, on page 34 of the report, it would appear as if the Committee on Appropriations had reduced the request of the Bureau of the Budget by $7,500. This is the 5-percent reduction in printing and reproduction costs.

THE ATOMIC ENERGY COMMISSION

The subcommittee, in making up the budget for this agency, had the most complete and satisfactory cooperation it has ever had. As a result, the Atomic Energy Commission, although it was required by what has been referred to as

the "New Look" in defense—to set up entirely new estimates for fiscal year 1955, absorbed all these additional costs in its own funds, by adjustment and by the use of money accumulated over the years previous. No reductions have been made in the accumulation or production of fissionable materials, and the $100,000 reduction which appears at page 5 of the report is only a reduction in the operation of cafeterias in connection with this program. The anticipated loss to the AEC, for the cafeteria operation item alone, during 1955, was estimated as $2,682,107, and the committee suggested mildly that the Commission might explore possibilities of economy, and make this loss about $2½ million.

In physical research, where a reduction of $3,100,000 appears to be indicated in the same listing on page 5 of the report, I call your attention to the fact that the same amount is given for 1955 as the AEC has had for 1954, the current year; we denied only the additional money requested with the comment that this item has been increasing yearly, for some time past, and that while the committee has no desire to hamper productive research as an essential part of the atomic-energy program, we do feel that there are always fringe items which research scientists would like to investigate, but which have slight possibility of producing useful results. Since the research bill of the Federal Government is already approaching $2½ billion per year, this slight economy can be absorbed by this particular agency, in support of a congressional desire to return again to a balanced budget, a sound economy, and reduced taxes.

IDENTIFYING APPROPRIATION ITEMS

One of your difficulties, Mr. Chairman, will be to identify appropriations, and consequently reductions, in an agency by the titles given them in the accounting sections. To see that we have made a reduction in program direction and administration, of $2,769,700, might be startling, if you did not know that this item contained the entire personnel costs of the Atomic Energy Commission. Since we are dealing with a personnel total of over 7,000 people, a reduction of 380 will not be very difficult.

We do call attention to the fact that for the first time we have set a figure which includes all personnel in the employment of the Atomic Energy Commission. In the past it was the custom to set the figure at a lesser amount and not include AEC employees who were assigned, for example, as inspectors on projects financed and operated under contract. I do not suggest that there was any intention to adjust the personnel so as to avoid the restrictions placed in the bill by the Committee on Appropriations, but certainly it was confusing to find that employees could be transferred rather easily from one account, against which the Congress had placed a limitation, to another account, where no limitation was found. It is a much cleaner operation to set one figure, as a limitation for all employees. It gives the Congress accurate information, and a better control.

I suggest, Mr. Chairman, that you read pages 6, 7, 8, and 9 of the report, and permit me to call attention only to the accumulation in past years of what was intended to be a reserve for contingencies. Again, without intention that this money should accumulate, it is a fact that the contractors set up reserves for contingencies, and then these reserves were duplicated by the Atomic Energy Commission in requesting funds from the Congress. The table on page 8 will give a better idea than I can give verbally. In effect, the reductions in construction figures in the present appropriation bill represent only the desire of the Committee on Appropriations that these reserve funds should be applied against construction costs in 1955, and thus avoid the necessity of appropriating new money and creating still further and equally unnecessary reserves.

The figures on page 9 will support this statement. When the building known as K–29 at Oak Ridge was completed it was discovered that the Atomic Energy Commission had overestimated its probable cost by $28,600,000. When the building known as K–31, at the same location, was completed the overestimation was discovered to be $65,700,000. For the present expansion now going on at Oak Ridge $25,500,000 was released by the Atomic Energy Commission in 1954; $85 million was indicated to be released in fiscal year 1955; and the justifications showed that $33 million was still earmarked at this one location as being held for contingencies. In the Paducah expansion, also in the course of completion, $25,500,000 was released in fiscal year 1954, $25 million was recorded as being released for fiscal year 1955, and the committee found $29 million still set up and earmarked for contingencies. Thus on February 1, 1954, the Atomic Energy Commission had funds held for contingencies totaling approximately $190 million included in its cost estimates for the four largest uncompleted projects: Portsmouth, Savannah River, Oak Ridge, and Paducah. These were funds for contingencies set up by the Atomic Energy Commission, in addition to funds for contingencies set up by the contractors. The Congress will undoubtedly agree with us, Mr. Chairman, that this money should be used now and not carried forward from year to year while we appropriate new money for the AEC program.

GENERAL SERVICES ADMINISTRATION

I skip over hastily, Mr. Chairman, the agencies alphabetically listed between the Atomic Energy Commission and the General Services Administration. There is little to discuss in this agency which is attempting, with more and more success as the days go by, to develop itself into the housekeeping agency for which it was set up by the Congress several years ago. I do desire, however, to call the attention of the Congress to the one item covering the appropriation for strategic and critical materials. This is an extremely important and sensitive function of the administrative arm of the Government. A great deal of the testimony is highly confidential and does not appear in the record. I can say, without revealing any of this confidential information, that among the many items which are being stockpiled, we find ourselves in a more satisfactory condition this year than in previous years. We find a balance in these funds of approximately $300 million. Under the program, outlined to the subcommittee, we anticipate that about $250 million of this amount will be committed before the end of the year. However, in the budget which originally came down to us in January, there was an item of $27,600,000 to be used to liquidate contract authorizations. After discussing this with the representatives of the General Services Administration, and with the Secretary of the Treasury, and with others interested, the committee decided that this $27,600,000 could well be taken from the $300 million, without retarding the program in any way. Consequently, this authorization appears in the bill, and the Administrator of the General Services Administration knows that any time he finds himself running short of funds for this particular purpose, he will have as little difficulty in the future, as his predecessors have had in the past, of getting what money he needs to carry on a very necessary program.

HOSPITAL CENTER, DISTRICT OF COLUMBIA

As a matter of interest, in passing, I record the fact that the committee has appropriated $4,500,000 to liquidate contract authorizations in connection with this new hospital center for the District. The total contract authorization is $19,500,000. Ground is being prepared for the hospital now and construction is about to start. The location is on the grounds of the Soldiers' Home.

HOUSING AND HOME FINANCE AGENCY

This agency is undergoing a reorganization under competent administration. The committee denied the requests for increases in the Office of the Administrator, and in the Public Housing Administration, suggesting that these agencies could operate for the same amount of money they had for fiscal 1954. In the case of the Public Housing Administration, we have indicated this reduction should be made in the field force, which has been growing more rapidly in recent years than the subcommittee feels is necessary.

ANNUAL CONTRIBUTIONS

I would be remiss if I did not call your attention, Mr. Chairman, to the costs of congressional generosity and idealism. It has been said repeatedly, on this floor, apparently supported by both facts and figures, that public housing, such as we have been constructing under recent programs, is more expensive, less well-built, and more subject to political influences, than privately built low-cost housing. These are generalities, and might produce argument. There is no argument over the fact that the subcommittee has been compelled to write into this bill an appropriation of $63,950,000 for payments under the contribution contracts for the year 1955, which is $20,650,000 more than the amount appropriated for the current fiscal year, 1954. These appropriations will grow and grow steadily until, had the original program been carried out, they would have reached a total of

$335,000,000 every year. Yet if the Federal Government had done everything it could do to encourage local or private construction, little or none of this money would be required in our annual budget.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Illinois.

Mr. YATES. The gentleman does not contend there is a direct relationship between the charges he made at the start of the paragraph and the amount of annual contributions? The fact that you have to make annual contributions under contracts does not mean that this is in any way related to the charges you made at the opening of the paragraph; does it? Certainly the hearings show the contrary. We asked those questions of Mr. Cole, as to whether or not he had instances of political handling of any of these units, and he said in isolated cases, yes.

Mr. PHILLIPS. If the gentleman will go back and read a very interesting report from the Committee on Banking and Currency made about 4 years ago, with which neither I nor any other member of the Appropriations Committee had anything to do, he will find sufficient confirmation of the statement made here to suggest, I think, that they are not isolated cases.

Mr. YATES. And certainly the testimony of Mr. Cole before our committee in these hearings was to the contrary, I still say, and I stand on the hearings.

Mr. PHILLIPS. Possibly Mr. Cole was suggesting that the conditions might be changed in the future.

SLUM PREVENTION

The problem to which Congress should direct itself is slum prevention, and to a certain extent slum clearance. The bill before you now contemplates that the greatest interest of Congress will be in this direction. Some of the suggestions which appeared in the independent offices appropriation bill a year ago, appeared again in the budget message of the President of the United States, this last January.

Public housing, as we have thought of it in the past few years, has appeared to be an independent program, rather than a part of a broad slum-clearance or slum-prevention program. The latter must necessarily begin in the individual communities, where local ordinances covering sanitation, fire prevention, safety, and the welfare of the citizens of that community, must be the first step in the program.

In addition to these, as the committee recommended last year, all agencies of Government, such as the Federal Housing Administration, the Federal National Mortgage Association, the advancement of money for loans and repairs, aids to veterans, and all other facilities the Congress can provide toward creating independent home ownership must be used to the fullest extent possible.

Then why indulge ourself in a wasteful, political, and unsuccessful program called public housing? To remove people from one slum area, to begin the creation of another slum area, offers only short-time gain. How much better it would be to engage ourselves in a program of building, or making it possible for people to build low-cost housing, which families could buy on small down payments, or no down payments at all, to be paid for over long periods of time, and thus to create not only the pride of home ownership but the responsibility of home ownership, which is a basis for good citizenship.

PUBLIC HOUSING STARTS

The Congress, however, has a responsibility and an obligation which it cannot avoid and has no desire to evade. An agency, authorized by the Congress, and acting as our agent, committed us, through contracts with local housing authorities, to the construction of a number of housing units, against which there remains an unconstructed balance of approximately 33,000 housing units. Whether we like such a program, or whether we do not like such a program, the Committee on Appropriations feels that this must be considered an obligation, requiring fulfillment with any local authority which still desires these units to be built. It is believed that some local authorities, or the people of the communities in which these local authorities are located, upon further investigation of the costs, as compared with private construction, and the problems created by some of these local housing programs, will voluntarily cancel out. Los Angeles has already done so. Other communities have done so. If they do not voluntarily cancel out, then the Congress must recognize this obligation as a firm one.

All of this was discussed at some length during the hearings a year ago, and I now state this to be my position personally, as I so stated it a year ago, and to be the position of the Committee on Appropriations, as evidenced by this bill. We have, therefore, in the present bill, suggested on page 17 of the report, and on page 31 of the bill, that the Public Housing Administration plan to complete these contracts during fiscal 1955 and fiscal 1956, and that not more than 20,000 of the units be started during fiscal year 1955, and, to quote the report, "that this be the end of the program."

The Committee on Appropriations believes that the solution of the low-cost housing problem and of the slum-clearance problem are one and the same, and that every asset of the Government should be directed to a united program, to this end, but that the public housing program, as we now know it, should be replaced by a low-cost home ownership program. We must not be misled by the fallacy that this public housing program, of which we are now talking, reached the low economy groups in the slums.

INTERSTATE COMMERCE COMMISSION

The Department of Defense is not the only department or agency in the Government which has the right to pride itself on a New Look. The Interstate Commerce Commission has a New Look which should give it increased efficiency as the months go by and put it back in good standing before the Committee on Appropriations and the Congress. For several years, the Committee on Appropriations has been severely criticized, and has been the subject of carefully engineered campaigns, which brought letters from transportation associations, and even full-page advertisements paid for by a great national union, charging the committee and the Congress with inadequate appropriations for the ICC. The subcommittee now steps forward, on behalf of the Congress, to give one example, Mr. Chairman, which we believe will put the argument quickly in focus. The committee has been concerned, for a number of years, over the backlog which has been accumulating in the so-called section of complaints, in the Bureau of Motor Carriers. In the fiscal years 1951, 1952, 1953, and again in 1954, the Committee on Appropriations called attention to an unhealthy condition, and actually earmarked in 3 of those years, during that period, a total of $659,326 in additional funds, over and above the requests which came to us through the Bureau of the Budget, in order to correct this condition. We saw no results. We saw pressures imposed upon the Congress. Last year the subcommittee suggested it would have little interest in larger appropriations until efficiency was substituted for inefficiency in the ICC.

If you will turn, Mr. Chairman, to pages 580 and 583, part 1, of the hearings, you will see that we appropriated, over and above the budget request, a total of $659,326 for the purposes indicated. If you will then turn to page 585a of the hearings you will find a letter from the present Chairman of the Commission, telling the committee quite frankly that this money was used for other purposes and not for the purpose for which it was appropriated. The excuse given for this disregard of the stated desires of the Congress was that we had not earmarked the money. Since we had reduced the total budget request of the ICC, the Commissioners decided, and presumably were advised by their solicitor, that they could use the money appropriated, for any purpose, without regard to the intent of Congress.

You will find, in this bill, that $1,100,000 has been earmarked for the section of complaints of the Bureau of Motor Carriers.

TENNESSEE VALLEY AUTHORITY

I move rapidly to the Tennessee Valley Authority. I presume there will be some discussion here, because we have included in the bill two recommendations for which we ask your most earnest consideration and support. My serious request, Mr. Chairman, is that Congress approach the suggestions with an open mind and not on the basis of any rumors the Members may have heard regarding this appropriation bill or the suggestions which might be included in it.

The Committee on Appropriations has neither the intention nor the desire to destroy the Tennessee Valley Authority. To use a homely expression, we have no thought of sending this calf to the butcher, all we are trying to do is to wean it.

The Tennessee Valley Authority asked the Congress for new money to the amount of $141,800,000. We have recommended new money in the figure of

$103,582,000. The difference is $38,218,000. Let me break this down to assure you, Mr. Chairman, that this is not the denial of money needed for the operations of the TVA.

Of this reduction of $38,218,000, the following items were authorized, but are to be paid out of the corporate funds of the TVA, and not out of new money appropriated in this bill:

Transmission facilities, $12 million.

Site improvements, $152,000.

Investigations incident to future projects, which certainly can wait for later expenditure if needed in the future, $125,000; and one-half of the requested estimates under the head of "General facilities," $211,500.

Total, $12,488,500.

We now have to account for a remaining reduction of $25,729,500.

Of this amount, $729,500 represents the only specific denials of requests by the Committee on Appropriations, as follows:

Resource development, of which I shall speak in a moment—but please note that we approved an equal amount from corporate funds—$600,000.

Distribution of administrative expenses—not a very large amount—$40,000.

The committee also denied 111 new automobiles, but we did allow 100 new automobiles in the fleet of 850 or more now owned by TVA, exclusive of trucks, $89,500.

Total, $729,500.

This leaves an even $25 million to be accounted for. Regarding this amount, the situation with TVA is much the same as with the AEC. The TVA has had large operating and construction funds, and on the record enters fiscal year 1955 with an estimated cash balance of $309 million.

TVA shows in its records that at the end of fiscal 1955, that is, on June 30, 1955, it expects to carry into fiscal year 1956 a cash balance of $46,817,712.

The Committee on Appropriations recommends that the $25 million above referred to be taken from this cash accumulation and not be voted in this bill in new money. I am sure the Congress will agree.

The Committee on Appropriations also believes that certain expenditures should be made by the TVA out of its corporate funds, rather than have the agency come back to Congress each year for appropriations to cover this group of expenditures.

This is the weaning process.

Certainly the costs of what TVA calls resources development, for which $1,200,000 was requested, $600,000 out of the operating expenses and $600,000 in new money appropriated by the Congress, is an item for local decision and expenditure. A year ago the Committee on Appropriations served notice on the TVA that it would not continue to appropriate money for this program. In all other States this is a local, State, or operating cost. I reported to you, as I recall, Mr. Chairman, that I had been visited by representatives of several municipalities and the State of Tennessee, all of whom protested the cut only on the grounds that they had not been given notice. The committee was assured that the State and the local agencies would add these costs to their own budgets, if we would appropriate enough money to permit them to carry the plans through the current fiscal year. This we did, in conference. We now find that, instead of picking up this item as a State, local, or TVA expenditure, the Tennessee Valley Authority comes to us again and asks for appropriated money for something which by every possible interpretation is a local matter. The committee has removed the $600,000 requested in new money, but has authorized the expenditure from TVA's operating expenses of the amount requested from those funds.

I now come to the two new proposals. For years the Tennessee Valley Authority has taken money from the taxpayers of the United States, through the Federal Treasury, to construct power facilities. The total asset value of the TVA, according to the table on page 44 of the 1953 report, is $1,061,763,319. The only amount to which this interest recommendation would apply would be the total of $850,548,741, covering the transfer and construction of properties, and I am taking for granted that this refers to power facilities. The suggested action of the Congress refers only to power facilities.

We must deduct from the above figure a credit of $50,059,019, the only money returned by TVA to the United States Treasury. I place the amount on which TVA would pay interest in fiscal 1955 as approximately $800 million, decreasing from year to year in the future, if there are no further expenditures from appropriations for powerplant construction. Additional appropriations would increase the figure, additional repayments to the Treasury would decrease it, each year.

Every Member here, Mr. Chairman, knows that, to secure this money for the TVA, the Federal Treasury has been compelled to go to the taxpayers of the United States, and to borrow money, and to pay interest on that money. It was necessary recently to raise the interest rates, to get the money, in the face of years of deficit financing.

I am sure the self-respecting citizens of Tennessee and the other States served by the TVA, would not expect this to to continue indefinitely.

The Committee on Appropriations proposes, in this bill, that the Tennessee Valley Authority shall pay interest, at the same rate as paid by the Treasury in getting the money for them, or continuing to loan it to them, on such balance as remains unpaid. This applies only to money advanced for the construction of power facilities. It starts now, and no attempt is made to collect interest prior to fiscal year 1955. The total interest is less than $24,000,000 for the fiscal year 1955. This is not a severe burden for the TVA to assume. It could serve as an antidote against the increasing criticism developing against TVA because of its expanding power program. Eight years ago all power was created by TVA from hydroelectric sources. When the present program is completed, and without any additional units 70 percent of the power produced and sold by the Tennessee Valley Authority will be produced by steam plants. This was never dreamed of when the project was first proposed.

The committee submits the proposition to you in simple fairness to the taxpayers of the United States. How can any Member of Congress, or any citizen of the TVA area, object to paying the same interest for the money loaned to the TVA, that the Treasurer of the United States is compelled to pay on the money he borrows so that the TVA may have that money for its power development.

I repeat, this suggestion applies only to money loaned to the TVA for the construction and development of power facilities. No account is to be taken of the money advanced to the TVA for river improvements, navigation purposes, flood control, or other work not directly connected with power development.

RESALE OF POWER

The other suggestion in the bill is equally simple and understandable. At the present time the Tennessee Valley Authority has the right to control not only the price it charges for power sold to the municipalities, but may, under an interpretation of the law and by writing the control into the contracts, control the prices for which that power is resold by the municipalities. If a community in Tennessee, for example, wishes to add a mill or any small amount, to the price it charges its citizens for power, in order to build a schoolhouse, or to pay any community obligation, or to provide greater police protection or other municipal service, it has no authority to do so, and in one case recently, a Tennessee community was taken into court by the TVA and prohibited from making an additional charge.

This is opposed to every principle of independent and representative government. Many a community in the United States—and I myself once served on a city council—carried itself through the depression years, against the tax limitations imposed by laws of the States in which these communities were located, by adding a small amount to the charges for the electricity it distributed.

Such a suggestion does not endanger the availability of power, or a reasonable cost of power. The protection against that danger lies with the greatest control possible under representative government, the vote. No charges can be made and sustained in any community without the approval of the people of that community. If charges were imposed which did not have the approval and support of the people of the community itself, the city trustees, or whatever they may be called in the TVA area communities, would be retired at the next election.

I would suppose that every municipality in Tennessee would welcome this provision in the present bill.

VETERANS' ADMINISTRATION

The Members of the Congress, Mr. Chairman, will undoubtedly remember that we had some discussion on this subject a year ago. Now that it is all over, I look back with some amusement, as do the other members of my subcommittee, and undoubtedly many Members

of the Congress, to the fact that most of the telegrams and letters we received, protesting the cuts in the appropriations for the Veterans' Administration, were sent before the Subcommittee on Independent Offices had received the revised budget requests from the Bureau of the Budget. Today the great majority of the veterans of the United States are solidly back of the Congress in the budget proposals made a year ago, and which are being carried out in the present fiscal year. Veterans' organizations, whose concerns, in some instances, were responsible for the pressures applied against the Congress, have now, with commendable frankness and courage, stepped up and admitted that it was a good budget.

This year the committee takes another step toward an improvement in the VA budget. Last year, in order to separate the appropriation for hospitalization, from the items which had previously been found in an all-inclusive budget item, we set up a line item for hospitalization, in the general medical and surgical neuropsychiatric and tuberculosis hospitals; then another line item for care of veterans in the domiciliary homes; another line item for the cost of contract beds, not in veterans' hospitals, and line items for other appropriations previously contained in the omnibus figure.

This year we have included in one item the cost of hospitalization in general medical and surgical neuropsychiatric and tuberculosis hospitals, and, in the same item, the cost of operating the domiciliaries, and the cost of contract beds. It is obvious that this will give a little more flexibility to the Veterans' Administration in handling veterans who may need to be transferred between one category or the other, and I myself saw the advantages of greater flexibility, when I visited several hospitals. Combining those 3 figures gives us, as you will see on page 29 of the report, a total figure of $598,127,000. This is $6 million less than the original budget request for these 3 items. That reduction is made with the approval of the Veterans' Administration, as indicated in the letter which appears in the hearings at page 1708 of part 2. In other words, we have again taken the figure of the Veterans' Administration as to the amount that agency needs for the operation of the number of beds it has indicated for fiscal year 1955. However, we have taken the number of beds occupied, rather than the number of beds activated, and this also is on the recommendation of the Administrator of the VA. The figure is 127,000 occupied beds.

POSSIBLE ECONOMIES

It should be pointed out however, that the amount of money we have supplied is still in excess of the amount of money which will probably be needed during fiscal year 1955. To begin with, there will be a balance in the Treasury at the end of fiscal 1955, presently estimated as $8 million or more. In addition to that, a careful reading of the hearings, when the Veterans' Administration representatives appeared before the subcommittee, will display a number of areas, in which these officials admitted quite frankly there were possibilities of savings. Tomorrow, I will review very quickly, an analysis made by the task force, assigned to the subcommittee by the chairman of the Committee on Appropriations, for a management survey of the veterans' hospitals.

In brief, this will show that many of the criteria, formerly thought to influence hospital costs, actually have little influence. It does not make much difference for example, where a hospital is located, nor whether it is near a medical center, nor do certain other factors affect the daily cost per patient. The differences in cost, per patient per day, boil down conclusively to management. To indicate the conclusions on these large sheets which I now hold up before you, if we could bring up the efficiency of the lowest 25 percent of the general medical and surgical hospitals to the average efficiency of the top 75 percent, the saving could be in the neighborhood of $10 million. Please understand that this removes, before the analysis is made, those hospitals we have always looked upon as white elephants, where the operating costs are obviously out of balance as compared to other VA hospitals. It is admitted that this can be done by the simple procedures of comparison, morale, incentive, and the other factors so familiar in industry. There is no reason in the world why this saving should not be closer to $20 million a year than $10 million a year, when increased responsibility is given to the managers of the various hospitals of all categories, and some such plan as this carried out. I have talked to managers about the possibilities of increased responsibility both in management and buying, and have found them unanimously enthusiastic on this subject.

Therefore, Mr. Chairman, the Congress may have no concern over the appropriations for the Veterans' Administration for fiscal year 1955; the only question is whether or not we have appropriated too much money. The Committee on Appropriations is willing to let this question rest until the agency comes before us again a year from now.

COMPENSATION AND PENSIONS

There was a little attempt to create controversy on this item last year, but it soon died out in spite of the efforts of a circulation-promoting veterans' newspaper to keep the question alive. The Congress appropriates $2½ billion a year for compensation and pensions to veterans under benefits programs established by the laws we have passed. There is no desire on the part of the committee to deprive any veteran, eligible to such payments, of the money due him. As I said a year ago, it is simply a question of calculating the amount of money needed. We suggested a year ago and suggest again this year that a review of the papers and files of the veterans receiving these benefits would be very much in order. An examination of only a thousand files in the local area established a total of 21,460 overpayments to the veterans on this list, taken at random and an underpayment of 6,600 to veterans in the same group—page 1985, volume 2. Perhaps this fact, more than anything I could say, would indicate that the intent of the committee is to provide for accuracy in the payments, and is not simply an attempt to cut down an appropriation.

Last year the committee reduced the estimate by $300 million. In a recent supplemental bill we returned $215,000 of that reduction. The net gain to the taxpayers was therefore $85 million. This year, with further evidence that a review of this program is desirable, the committee has reduced the amount only $100,000, and will, as it has done for many years now, recalculate the figure when we come back next year.

This concludes my preliminary statement the independent offices appropriation bill for fiscal year 1955.

Mr. MARTIN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I am very glad to yield to the gentleman from Iowa [Mr. MARTIN] who has always been interested in the stockpiling program.

Mr. MARTIN of Iowa. I noticed in the bill that you have an item of $27,600,000 which seems to be a cut in the appropriation.

Mr. PHILLIPS. The gentleman is referring to an item of $27,600,000 which appears to be a cut in the appropriation bill and is about to ask me, I take it, an explanation of that?

Mr. MARTIN of Iowa. Yes; I should like an explanation of that item because, as the gentleman knows, I am very much interested in the progress of our stockpiling program as I know the gentleman from California is too. I notice there are no new funds appropriated, but there is an earmarking of $27 million. I should like the chairman of the subcommittee to explain the action taken. I know the gentleman has a very real understanding of this program, and I have on many occasions commended the gentleman very highly for the good work he has done in the field of stockpiling. I should appreciate an explanation.

Mr. PHILLIPS. On behalf of the committee, I thank the gentleman. We have always asked him for advice. I notice the gentleman from California [Mr. ENGLE] has risen. Is he about to ask the same question?

Mr. ENGLE. Yes; and some others, if the gentleman will yield to me.

Mr. PHILLIPS. Let me answer this question first, briefly. There is a present balance in the fund of about $300 million. The Bureau of the Budget sent up a request for $27,600,000 to retire contract authorizations, that is, to implement contract authorizations. After the bill came up, it was discovered that the probable amount which would be needed for 1955 would be, in round figures, $250 million. Therefore, with no objection that we have heard, and after consultation with the Treasury, and with the General Services Administration, and others, we are taking the $27 million authorization-implementation against the money in hand. I do not need to tell you that the head of the General Services Administration knows that at any time he finds he is running

short of funds he will have just as little difficulty as his predecessors had in getting the necessary money.

Mr. MARTIN of Iowa. That is in accordance with my observation. That is why I feel satisfied with the gentleman's explanation at this point. I have found from past experience that when they do need more funds the Committee on Appropriations under the gentleman's chairmanship lend a very attention ear to their request.

Mr. PHILLIPS. I want to compliment the Administrator of the General Services Administration and those working on the strategic and critical materials program on being so much further ahead in the program than they were a year ago.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Illinois.

Mr. YATES. I was under the impression as a result of what transpired in the hearings that the Office of Defense Management had originally asked the Bureau of the Budget for $309 million for the purpose of purchasing strategic and critical materials. Two weeks later, however, as the result of conferences with the Bureau of the Budget, that request was changed so that the General Services Administration asked us for only $199 million. In the 2-week intervening period apparently there was some kind of a reappraisal which took away over $100 million for the purpose of purchasing strategic and critical materials.

Mr. PHILLIPS. That is correct, as I understand the situation.

Mr. YATES. The explanation that was given us in the hearings was that the reappraisal goes on constantly, and as a result of conferences with the Bureau of the Budget they felt it should be cut by over $109 million.

Mr. PHILLIPS. Yes; but the supplementary conferences, which the gentleman says go on all the time, apparently indicated there might be a need for about $250 million of the $300 million on hand, and that the $27,600,000 could very well be taken out of that fund, too. It keeps us from having to appropriate new money.

Mr. YATES. The thing that gives me pause as to the testimony that was given to our committee was the statement I saw in Saturday night's paper that the President of the United States was requesting additional funds for the purpose of purchasing strategic and critical materials. I wondered why the request was not made of our committee. It seems to be a reversal.

Mr. PHILLIPS. I think there may be a little confusion about it. I think that is the conference I had reference to, and that whoever gets out the notice may not have been fully aware that there were funds available, that those were to be spent especially for certain areas of strategic materials, which I am prohibited from discussing on the floor.

Mr. ENGLE. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from California.

Mr. ENGLE. Referring to the $27 million mentioned on page 24, do I correctly understand that that is a limitation on the liquidation of the existing contractual obligations?

Mr. PHILLIPS. It is no limitation, it is the amount needed to liquidate current authorizations.

Mr. ENGLE. What I had in mind was the chrome stockpile at Grant's Pass, in which the people of northern California are very much interested.

Mr. PHILLIPS. There is no time limitation.

Mr. ENGLE. I understand it is not a limitation on that activity as it has heretofore gone along.

Mr. PHILLIPS. I hope the gentleman will use his very real influence to get in more material rather than to think there is any limitation on it.

Mr. ENGLE. We are trying to do that.

The gentleman from Illinois has cleared up the other item. I understood there had been a $100 million cut in the requested amount. The gentleman explains that they revalued it, and in the light of what their anticipated needs are there is sufficient money in this bill, and that it is the purpose of the committee, following up the statement made by the White House on March 26th with reference to strategic and critical materials and metals, to give real impetus to the acquisition of these materials domestically, and from the domestic industry insofar as possible.

Mr. PHILLIPS. If there is not money enough, I suspect you will hear from us in the last supplemental bill in July.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. PRICE. It may be sufficiently clear to the gentlemen who have been questioning you as to just exactly what the situation is, but I am afraid it is not too clear to the average Member of the House who has not been in close contact with this situation. You stated there was about $305 million. I still do not think the matter is sufficiently clear.

Mr. PHILLIPS. In round figures, it is about $300 million.

Mr. PRICE. I understood that your statement was to the effect that there was about a $305 million carryover from the previous appropriations. When the General Services Administration came before your committee, there was a discussion before the committee, and the way I read the report the committee then told them they could go ahead and use up to $199 million of the $305 million; is that correct?

Mr. PHILLIPS. Where do you get the limitation of $199 million? There is no limitation.

Mr. PRICE. I am trying to get a clarification of this situation.

Mr. PHILLIPS. There is no limitation. If they could get the stuff that we want them to buy and stockpile, they can spend the whole $300 million, but $250 million is all GSA thinks it can get. I think they are optimistic. I do not think they can spend all of it.

Mr. PRICE. Will the gentleman explain what the $100 million cut was that the gentleman from Illinois [Mr. YATES] referred to?

Mr. PHILLIPS. That is Mr. YATES' statement. I will let him explain it. I yield to the gentleman.

Mr. PRICE. I only wanted to get a clarification of this.

Mr. PHILLIPS. I would myself.

Mr. YATES. The testimony in the record shows that the Office of Defense Mobilization requested the General Services Administration, which is the purchasing agency of the Federal Government for strategic and critical materials, or rather authorized them to request $309 million of the Bureau of the Budget for the purpose of purchasing strategic and critical materials. The Bureau of the Budget, however, did not grant that request. It granted them authority to ask the Committee on Appropriations only for some $199 million. Apparently for reasons that were not completely explained the $109 million was dropped. They say it was a reappraisal of the program, I wondered at that time and I wondered now whether or not they felt that they just could not afford to spend the extra $100 million at this time for the critical and strategic materials.

Mr. PHILLIPS. I think at the time GSA went to the Bureau of the Budget, they did not say they could, but I think they probably knew they could.

Mr. PRICE. What confuses me is where you find that $199 million. I do not see that anywhere in the bill.

Mr. PHILLIPS. You will have to look in the hearings.

Mr. PRICE. You do not appropriate in the hearings. We appropriate money in the bill.

Mr. YATES. This was a request of the General Services Administration for an appropriation for the purpose of purchasing critical and strategic materials. This was the original request. Where it was in terms of the report, I do not quite know.

Mr. PRICE. Where is it in the appropriation? I do not see it.

Mr. YATES. It is in the justification with which they appeared before our subcommittee.

Mr. PRICE. What I am trying to find out is if it was an appropiration in addition then.

Mr. PHILLIPS. I am not aware that we set any limitation upon the funds previously appropriated, which were appropriated to be available until spent. There is no limitation upon them.

Mr. PRICE. I am not trying to find the gentleman is incorrect. I just want to know where the money is.

Mr. PHILLIPS. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. On page 141, the figure $301 million plus, is referred to as available for strategic and critical materials. Can the gentleman give me information as to where that money will be spent and whether it will be spent in the United States or abroad?

Mr. PHILLIPS. I do not think there is any limitation upon that.

Mr. SIMPSON of Pennsylvania. There is no limitation so far as the gentleman

knows as to whether it could be spent in the United States or worldwide.

Mr. PHILLIPS. The gentleman well knows that we are not getting all the materials in the United States, and I cannot discuss it any further.

Mr. SIMPSON of Pennsylvania. I thank the gentleman.

Mr. PHILLIPS. Now I can answer the gentleman from Illinois. What he referred to was a suggested limitation in the original budget message. But that is not a part of our bill.

Mr. PRICE. Perhaps I did not make myself clear. I think the gentleman stated that there was $305 million available from previous appropriations. Is that amount still available?

Mr. PHILLIPS. Yes, that is my understanding.

Mr. PRICE. In this bill there are no new moneys appropriated for strategic materials and stockpiles?

Mr. PHILLIPS. That is correct.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. JOHNSON of California. In the law which you referred to of July 23, 1946, it was provided that in collecting strategic materials, a report should be made every quarter and filed with the Committee on Armed Services of both Houses of the Congress.

I assume the amount you appropriate here includes the estimated acquisition for the coming year?

Mr. PHILLIPS. That is correct.

Mr. JOHNSON of California. I was once a member of the subcommittee, and they came to us about every 3 months. Three years ago the piles were very, very low. Have they come up to the anticipated size supposed to be?

Mr. PHILLIPS. No. They are still moving up but slowly, but with much more rapidity than last year. We are encouraged.

Mr. JOHNSON of California. With your present setup, it is far better than they had before. They go through fewer hands and have more direct action.

Mr. PHILLIPS. I agree with the gentleman.

Mr. SCUDDER. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from California.

Mr. SCUDDER. Has there been any consideration for the establishment of further stockpiling depots? I have in mind up in the northern part of California, particularly in Del Norte County there are very large deposits of chrome. That is located about 10 miles from the shipping point at Crescent City Harbor. They have to haul that chrome back almost a hundred miles to stockpile it and it makes a very expensive operation.

Mr. PHILLIPS. I would not say there has been no consideration given to it, because obviously General Services Administration and the administrators of the stockpiling fund must have that in mind all the time, but there is nothing in this bill or in the report about it.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Virginia.

Mr. POFF. I wonder if the gentleman can tell me whether GSA made any request for additional funds for the purchase of manganese.

Mr. PHILLIPS. I could not tell you now. I could not very well discuss that here.

Mr. JONAS of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from North Carolina.

Mr. JONAS of North Carolina. The gentleman stated, I think, that if the original program had been carried through it involves the building of some 800,000 public housing units.

Mr. PHILLIPS. That is correct.

Mr. JONAS of North Carolina. The cost would have been $335 million a year and that would continue for 40 years, as I understand.

Mr. PHILLIPS. That is correct.

Mr. JONAS of North Carolina. After which who would own the housing units? Would they come back to us and when I say "us" I mean to the Government?

Mr. PHILLIPS. The gentleman from North Carolina well knows that after 40 years nobody would want to own them.

Mr. JONAS of North Carolina. But as a matter of fact, to be entirely accurate, the Public Housing Authorities would own them and the amount the Government contributed would be a complete subsidy and no part of it would come back.

Mr. PHILLIPS. The gentleman, of course, is correct. This is a subsidy by the Federal Government. The housing will be owned by the local housing authorities.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. MULTER. Mr. Chairman, having in mind that the Administrator, former Congressman Cole, was a member of the House Committee on Banking and Currency at the time that report he referred to 4 years ago was made, does not the gentleman think it is fair to assume that President Eisenhower had in mind all of those facts and figures when he sent this Congress his message on housing and asked for 140,000 units to be built during the next 4 years?

Mr. PHILLIPS. There have been so many assumptions made by both the gentlemen mentioned and what their opinions are, that I do not think I want to enter the area of assumption. I will largely stick to facts I know to be true.

Mr. MULTER. Mr. Chairman, will the gentleman yield further?

Mr. PHILLIPS. Yes, willingly.

Mr. MULTER. Is it not a fact that Mr. Cole as Housing Administrator came before your committee as he did before the House Committee on Banking and Currency and urged the enactment of President Eisenhower's recommendation to the extent of 35,000 units to be built each year for the next 4 years?

Mr. PHILLIPS. That is a fact. Also it is a fact that under the Constitution the House of Representatives makes the final decision upon that subject, and matters of this kind were specifically reserved in the Constitution to the House of Representatives. Mr. COLE having been a Congressman was well aware of that fact.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. YATES. Did not Congress pass last year the Independent Offices Appropriation Act of 1954 containing a provision by the Congress that it proposed to look again at the public housing program and have the recommendation of the Home Housing and Finance Administrator this year? Presumably the Congress would not have pursued that kind of action if it had not intended to listen to the recommendation of Mr. Cole, would it?

Mr. PHILLIPS. Is the gentleman from Illinois suggesting that every time the House of Representatives says to an agency of government: Will you please look into this condition? that we have obligated ourselves to enact the recommendation of that report without any consideration and decision by us?

Mr. YATES. The gentleman from Illinois is suggesting that it is at least a moral obligation on the part of Congress when it puts language like that into a law to have an open mind with respect to the problem and not just arbitrarily say that no matter what they recommend we will not take the recommendation?

Mr. PHILLIPS. The gentleman well knows that the subcommittee approached this subject with an open mind. The overwhelming majority of the Congress in several sessions has indicated that it did not want public housing. So I say that under the mandate given us by those sessions there would be no public housing starts in the bill now before us. Our committee, of which the gentleman is a distinguished member, felt that we should include in the bill 20,000 starts. I understand that the Rules Committee felt otherwise and has given us no rule.

Mr. YATES. As a matter of fact, the 20,000 starts that are proposed in this bill are the subject of firm commitments between the Federal Government and the local housing authority; they are part of some 35,000 units approximately that are still the subject of contract between the Federal Government and the local housing authorities. Those contracts have been sustained by decision of the Comptroller General of the United States as being valid and binding contracts. It seems to me that if we are going to recognize our commitments, as we certainly should, we ought to authorize the construction of the number of units covered by those contracts.

Mr. PHILLIPS. The gentleman knows I am in full agreement that these are obligations that have been designated as obligations by the Comptroller General. I said this year and last year they were a moral obligation. It would be completely out of order for any of us to criticize the Committee on Rules.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from New York.

Mr. MULTER. Having in mind that the President sent Congress a special message on housing, including a reference and recommendation about public

housing, which was referred to the Committee on Banking and Currency, does the gentleman not think that his committee has invaded the jurisdiction of that committee in acting upon the question of whether there should be any future public housing?

Mr. PHILLIPS. I presume the gentleman held to the same attitude and support when he voted on the tax bill recently, which was stated by the President to be a much more important matter than the housing problem? How did he vote on the motion to recommit the tax bill?

Mr. MULTER. On the motion to recommit the tax bill, of course I voted to recommit it with instructions so that the mass of the people got the advantage of the tax reduction or exemptions before you gave it to any selected group. But what has that to do with this question? That bill came from the Ways and Means Committee. I am talking about the Appropriations Committee invading the jurisdiction of another committee.

Mr. PHILLIPS. There is no question about the gentleman's good intentions on any vote he cast. My reason for mentioning that was that the gentleman stated that we should in this matter support the President of the United States, as I understood him.

Mr. MULTER. Support him whenever in conscience you think he is right and not when you think he is wrong.

Mr. PHILLIPS. I thank the gentleman very much.

Mr. MULTER. The gentleman has not answered the other question, if I may pursue it. Does not the gentleman think his committee invaded the jurisdiction of another committee of this Congress in reporting to the Congress and asking the Congress to enact legislation as to a future public housing program?

Mr. PHILLIPS. We invade the jurisdiction of any other committee when any legislation is put in this bill, but we never do it just de novo with nobody knowing it is going to be there.

Mr. MULTER. My only suggestion then is that maybe we should rewrite the rules of the Congress.

Mr. JONAS of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from North Carolina.

Mr. JONAS of North Carolina. Is it not at least legally doubtful whether our committee had any authorization, in view of the language in the bill a year ago which passed both houses of Congress, to go beyond those 20,000 units?

Mr. PHILLIPS. The answer is yes.

Mr. YATES. It could have gone to 35,000, which is the number of units under commitment.

Mr. JONAS of North Carolina. It is the intention of the committee to go to 35,000 units this year and next year because we are legally or morally obligated, as the chairman of the subcommittee stated, for that many units.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from California.

Mr. JOHNSON of California. The statement that the gentleman made in regard to slum clearance reminds me of the situation exiting in the city of Stockton, Calif., about 20 years ago, when I was attorney for that city. The answer that the gentleman from California [Mr. PHILLIPS] gave is the exact answer that our city gave; that we would take care of the slums in Stockton, and we did not think the National Government should invade our jurisdiction, and that has proved to be very successful in our particular case.

Mr. PHILLIPS. I thank the gentleman. The suggested action of the Congress refers only to power facilities.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. I assume that the gentleman will concede that that language is legislation on an appropriation bill?

Mr. PHILLIPS. I will concede that.

Mr. ABERNETHY. Will the gentleman inform us what is the hurry in bypassing the Committee on Public Works, which has jurisdiction of that particular legislation?

Mr. PHILLIPS. I do not know that there is any particular hurry. We deal with money. We appropriate money for the Tennessee Valley Authority, and have over the years. This has been a recurring discussion before our committee, and it seems to me a very appropriate place to put it in the bill which supplies money to pick up the deficit check year after year of the Tennessee Valley Authority.

Mr. ABERNETHY. I do not understand how the gentleman could contend that this is an appropriate place to put it when he has just conceded that it is legislation on an appropriation bill, and would be subject to a point of order. It would be, would it not?

Mr. PHILLIPS. I cannot take the place of the Parliamentarian, but I would expect the Parliamentarian to rule with the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Will the gentleman yield further for a question?

Mr. PHILLIPS. Yes.

Mr. ABERNETHY. It is a fact, is it not, that the President in his budget message stated that his administration was making a study of this particular point to which the gentleman has just addressed himself; and is it not also a fact that the President stated that at the conclusion of that study he would submit recommendations to the Congress; is that not true?

Mr. PHILLIPS. I do not recall the wording of the message; if the gentleman says that was it, I take it that it was.

Mr. ABERNETHY. It is included in the gentleman's report.

Mr. PHILLIPS. I accept the gentleman's statement.

Mr. ABERNETHY. If that is true, and the gentleman included it in his report, what is the hurry of the gentleman and his committee in bypassing the study which his President and our President stated that he was making of this matter?

Mr. PHILLIPS. The only answer I can give is that there appears to be so little oppositoin to the idea generally even from some Members of the House from the wide area of the South that this seemed to us like a very good idea and we put it in the bill. If I am correctly informed that there is to be no rule on the bill, it seems to me we may be indulging in an academic discussion.

Mr. ABERNETHY. I realize that, but what I cannot understand is this. The gentleman stated that there was little opposition. Is it not true that the Members of the House had no information whatsoever that the gentleman's committee was dealing with this subject, particularly a subject the jurisdiction over which is in another committee of this Congress? We had no information that the gentleman's committee was dealing with this subject, did we?

Mr. PHILLIPS. Does the gentleman read the papers?

Mr. ABERNETHY. Yes, the gentleman from Mississippi reads the papers. But the gentleman from Mississippi also knows that the hearings of the Appropriations Committee are conducted in secret, in executive session. I think we all know that no one knew that any other legislation which the gentleman has included in this bill was being considered in the gentleman's committee. I think the gentleman would concede that.

Mr. PHILLIPS. Let us not make it quite so broad—any other legislation. Most of these matters have been in here year after year, since the memory of man runneth not to the contrary. We are talking about the TVA.

Mr. ABERNETHY. Is it not true that not a single, solitary witness was called before or appeared before the gentleman's committee on these particular points?

Mr. PHILLIPS. No; I should hardly say that . We had the Governor of Tennessee, the mayors of practically all of the principal cities.

Mr. ABERNETHY. And they appeared on the question of an appropriation, on the amount that should be appropriated.

Mr. PHILLIPS. The hearings will divulge that this matter of interest was mentioned at that time.

Mr. JONAS of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from North Carolina [Mr. JONAS] who may wish to answer the gentleman from Mississippi [Mr. ABERNETHY].

Mr. JONAS of North Carolina. I ask the chairman of the subcommittee whether or not it is true that we charge the veterans interest on the money that we lend them; we charge the REA interest on money we let them have; we charge the farmers interest on money we lend them; and is it not a fact that we, in the subcommittee, just feel that the TVA ought to pay the Federal Government the amount of interest we have to pay on our bonds to furnish capital for TVA?

Mr. PHILLIPS. As I understand the gentleman from Mississippi [Mr. ABERNETHY], he is not at the moment specifically speaking to whether or not interest should be charged, but to the fact that the provision appears in an appropriation bill.

Mr. ABERNETHY. The gentleman has properly interpreted my position.

I will object at the proper time. The point I am making now is that the gentleman's committee—I will not say has slipped around, because that would not be appropriate, and I know the gentleman would not so do—but it did avoid and go around the Public Works Committee and bring this legislation in on an appropriation bill. I think the gentleman will also concede that no one who was actually interested in this subject except possibly the members of the gentleman's committee, had any information whatsoever that this particular legislation was being considered; otherwise we would have made some complaint.

Mr. PHILLIPS. And the other people, too, who read the Tennessee newspapers? Will the gentleman include them in the group?

Mr. ABERNETHY. I might say to the gentleman that I have not seen a thing in any of the papers released by him as chairman of the committee or any member of his committee to the effect that you were considering this legislation. I take it that if you had released it you would have been violating the rules of the committee, inasmuch as you conduct your hearings in executive session.

Mr. PHILLIPS. The gentleman's point is well taken.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Tennessee.

Mr. PRIEST. The distinguished gentleman from North Carolina [Mr. JONAS], a member of the subcommittee, just a moment ago referred to the fact that when we lend money to the Rural Electrification Administration, interest is paid on it. That is true, but when the facilities for which this money is loaned are completed, to whom do they belong? To the REA cooperative. That is true, is it not?

This money is not loaned to the Tennessee Valley Authority. When all of the facilities for which the funds were appropriated have been completed, the properties belong to the Federal Government and not to the people of that region. That is not an apt analogy that the gentleman makes, is it? Can it be said that this is in the same category as a Rural Electrification Administration loan?

Mr. PHILLIPS. Does not the gentleman think it is? Does the gentleman think that 40 years from now, or more than that, when we have paid out all of this money and have received no interest on it, those facilities will still be of value to the United States Government? They will be of value only to a little area in the Tennessee Valley. Furthermore, if the gentleman will consult with the Joint Committee on Atomic Energy, they will probably tell him that the facilities will be out of date by that time.

Mr. PRIEST. I cannot quite accept the gentleman's viewpoint in what he has just said. It seems to me that any effort to draw the analogy drawn by my good friend, Mr. JONAS, is not an apt one. He himself, on questioning about the housing program just a few minutes ago said, "When these units are completed and after the amortization, to whom do they belong? They belong to the people back there." That is an entirely different category. This is a national asset. It belongs to the Federal Government. We are not lending the Tennessee Valley Authority money to do the job. It is in an entirely different category, as I see it.

Mr. COTTON. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from New Hampshire.

Mr. COTTON. Referring to the question of the gentleman from Mississippi, may I ask the chairman of the subcommittee this: Was it not a fact, first, that the Tennessee Valley Authority was asking the Committee on Appropriations of this House to recommend new money for the TVA?

Mr. PHILLIPS. That is correct.

Mr. COTTON. Was it not also a fact that we recommended that this Congress give them some new money?

Mr. PHILLIPS. That is correct.

Mr. COTTON. Was it not a fact that in the very discussions leading up to giving more money from the Government, or lending or furnishing more money to the TVA, as a matter of compromise in giving it new money it was suggested that we suggest to the Congress that the Federal Government be reimbursed for its interest?

Mr. PHILLIPS. That is correct.

Mr. COTTON. Would it not be perfectly within the province of this Appropriations Committee, regardless of the Public Works Commitee or anybody else, to decline from this day onward to recommend any new funds for TVA if they do not care to pay interest on them?

Mr. PHILLIPS. Yes, I think that would be a correct and fair statement.

Mr. PRIEST. The gentleman mentioned a moment ago that the Atomic Energy Commission had said that in 40 years the facilities would be obsolete. Was that the substance of what the gentleman said?

Mr. PHILLIPS. That is putting it rather more firmly. I said that we might learn some interesting things if we consulted them.

Mr. PRIEST. I just want to suggest to the gentleman that if we waited for a 40-year period to end on every program to see whether we would continue it or not, it would not be necessary for us to be in session here for the next 40 years. If we waited that long to see whether we were making progress, we would not have to be in session for the next 40 years. That does not strike me as a very logical argument, I might say to my good friend.

Mr. PHILLIPS. We want progress, but we want a little interest in the interim.

Mr. JONES of Alabama. I understand the chairman to say that the reason the interest provision was written into the bill was at the request or the solicitation of southern Members.

Mr. PHILLIPS. No, decidedly not. The gentleman well knows that that is not a statement of fact, and if I was understood to stay that, I am glad to clarify it. I said that there were many Members south of the Mason-Dixon Line who believe that it would be perfectly in order for TVA to pay interest on that money.

Mr. JONES of Alabama. Did any of these Members appear before the committee and make a request that the committee write in an interest provision?

Mr. PHILLIPS. No, they did not. May I say something which I think the gentleman may want to say something about? Does it occur to the gentleman that when you have an agency of Government that started a development limited to flood prevention and the production of power from hydroelectric projects which in a period of less than 8 years have developed to the point where 70 percent of its power was being produced from stream plants——

Mr. JONES of Alabama. You mean through 1956?

Mr. PHILLIPS. Correct, including 1955—as I was saying, does it occur to the gentleman that when you have the situation which I have outlined, there may be a growing criticism through the country?

Mr. JONES of Alabama. The gentleman realizes too that the private utilities are doing the same thing because we exhausted our hydro in this country and we have got to resort to steam generation. Now the character of TVA is not unique in that field, but the fact remains that there is no request, as I read the transcript, of anybody appearing before the Independent Offices subcommittee and asking for interest to be charged except the utilities around TVA.

Mr. PHILLIPS. There are many things that we have in this bill which the gentleman is in favor of, which are not specifically requested of us. If you confine us only to the requests that are made of us by the Bureau of the Budget or individuals, many constructive things in this bill are going to go by the board.

Mr. JONES of Alabama. The gentleman from California reminds me of a boy who was trying to take a little catfish off the hook and could not get it off the hook, so he pulled out his knife and said, "Be still, little fish; I am not going to hurt you; I am just going to gut you."

Mr. PHILLIPS. I do not think we are going to get this particular catfish, but we are trying. The gentleman certainly does not mean to leave the impression that private utilities have found some way to get money without paying interest on it?

Mr. JONES of Alabama. Of course not. The gentleman from Alabama had no such suggestion, but why are we at this late date, after this operation has been successful for over 20 years, now coming and casting such reflections on it that it cannot operate economically and that it cannot operate in such a manner

as to reflect credit upon the Federal Government.

Mr. PHILLIPS. I thank the gentleman for the expression of his individual opinion.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. CEDERBERG. I noticed with interest the remarks of my colleague the gentleman from Tennessee regarding his opposition to the interest that would be charged to the TVA and that he saw no parallel in the situation with the REA. Would the gentleman agree that if all the other multiple-purpose projects for power throughout the West, for instance, in the Dakotas and the far West were paying interest to the Federal Treasury, and the amount of money were allotted to these REA projects, would he then agree that the TVA ought to pay some interest?

Mr. PRIEST. It is my understanding that some of these projects to which the gentleman referred do pay interest.

Mr. CEDERBERG. They all pay interest.

Mr. PRIEST. I cannot designate, though, which ones do. The gentleman has presented a question that certainly is a logical question to ask in this discussion. My feeling about this being in the bill is that it has not been studied through in connection with the basic act. It has had no hearings on it. There has been no study made as to the relationship it bears to the amortization program as far as I have been able to determine. Under the amortization program authorized in 1948, the TVA is refunding to the Treasury each year an average of about $22 million. That is what it would run over a 40-year period to amortize the total amount appropriated for power operations. I do not believe there has been any study made as to the relationship between that provision and the interest rate charged here. I say this in all kindness, but it seems to me that this is one move, possibly designed—perhaps not intentionally so—to boost the power rates in an area, to strike a blow at the yardstick that was authorized in the original act when the TVA was directed to furnish as much power as possible to as many people as possible at the lowest rate possible.

The CHAIRMAN. The time of the gentleman from California has expired. The gentleman has consumed 1 hour.

Mr. PHILLIPS. Mr. Chairman, I will have to ask for more time, with reluctance, but we are discussing some things which I had expected the gentleman would discuss on time yielded to them separately.

Mr. Chairman, I ask unanimous consent to proceed for 10 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. JONAS of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. JONAS of North Carolina. Just before we get away from the point made by the distinguished gentleman from Tennessee [Mr. PRIEST], would he express the fear that this would result in the raising of rates in Tennessee? I ask the chairman if he does not recall the testimony of Mr. Clapp when he was asked that specific question, and stated that the rates were adequate in Tennessee to pay 2- or 2½-percent interest; and he made the further statement repeatedly throughout his testimony that TVA was earning from 4 to 5 percent on its investment and that it would not be required that the rates be raised if they had to pay interest?

Mr. PHILLIPS. May I finish this first?

Mr. PRIEST. Perhaps I will have more to say in response to the gentleman from North Carolina a little later on in some of my own time.

Mr. PHILLIPS. I appreciate the gentleman's attitude, because the requests to yield put me in a very difficult position, having consumed a great deal of time when my actual part of that time is only about 45 minutes.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Illinois.

Mr. SPRINGER. I just rose for the purpose of asking formally if this bill in any place, either in TVA or otherwise, provides money for any new project.

Mr. PHILLIPS. No; not for newly started units, but it provides money to complete units begun in the previous year.

Mr. BEAMER. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Indiana.

Mr. BEAMER. If some rates might be raised, it might provide a little more accurate and honest yardstick?

Mr. PHILLIPS. The gentleman knows the answer to his own question. We have no really accurate yardstick today, only a complete monopoly.

The other item, as I said earlier in the statement, we had in the TVA part of the bill said that a municipality, that is, a purchaser of power from TVA, could set its own resale rates—I think that is fundamental. I do not think it is very serious, and I shall not be very much upset if it does not stay in the bill, but I think it is fundamental that a municipality shall be entitled to charge what it wants for the power it buys. Many communities in other States have been able to provide parks, schools, and even support some of the community facilities by adding a mill or two. As I said before, this is controlled by the most powerful control known in the political life of America. If a city council were to put on an additional charge for any such purpose and the people thought it was too great, or not what the people approve, the city council would not be reelected at the next election. I do not know of any better control.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I appreciate the gentleman's desire to help those of us who live in the valley. Perhaps the gentleman can tell us of one single municipality that requested this authority.

Mr. PHILLIPS. No. As I said, it would be no serious matter this year if it did not stay in the bill. I suspect if the gentleman from Mississippi and I would go around and talk to the city councils, we might get an opinion of what they thought about it, and I would be willing to rest on that opinion.

Mr. ABERNETHY. They did not ask for it.

Mr. PHILLIPS. Then it could go out of this bill, pending further discussion.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. JOHNSON of California. I do not quite understand what would be the effect of your step to add back interest; is that to place TVA in the same category as the Central Valley water project?

Mr. PHILLIPS. Not even quite in that category, I think, but it begins to approach it. It would add about $23 million to the annual operating costs. It would be taken out of power revenues.

Mr. JOHNSON of California. At the end of 40 years who would it belong to?

Mr. PHILLIPS. Under the argument of the gentleman from Tennessee it would technically belong to the United States but it would be a possession of the United States of no particular value to any of the citizens except those living in the area surrounding the project.

Mr. JOHNSON of California. It would be the same as what we are trying to do in California, belong to the people when they paid the cost.

Will the gentleman yield for a further question?

Mr. PHILLIPS. I yield.

Mr. JOHNSON of California. Is the interest figured on the power factor alone, and does it exclude any cost of flood control?

Mr. PHILLIPS. It excludes every item except power, and the payment of interest does not start until next year.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. MILLER of Nebraska. If TVA were required to pay interest would it be on the same basis as our REA's?

Mr. PHILLIPS. As far as interest is concerned, but I do not know about other items—I assume they would be on the same basis.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. SPRINGER. How many beds does this appropriation provide for this year under the Veterans' Administration program?

Mr. PHILLIPS. One hundred and twenty-seven thousand occupied beds, which is a little more than last year. It also combines hospitals, domiciliaries, and contract beds, but that is the figure set by the Veterans' Administration. The amount of money is the amount requested by the Veterans' Administration. If you will turn to page 1708 of the hearings you will read the letter from the Veterans' Administration.

Mr. ANDREWS. Mr. Chairman, I yield 20 minutes to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, I want to express my appreciation to the chairman of our subcommitee, the gentleman from California [Mr. PHILLIPS], for the very splendid manner in which he conducted the hearings this year. He was fair, he was able, he was thorough, and above all else, he conducted the hearings with a sense of humor. To those of us who had to sit and listen to testimony day in and day out his pleasant manner lightened the job tremendously. I for one am grateful.

I want to express my tribute also to the gentleman from Texas [Mr. THOMAS], the ranking minority member of the committee, who has such a fine appreciation for figures and appropriations. He is thoroughly familiar with the operations of all the agencies that appeared before us asking for appropriations, and did an excellent job in bringing out the facts. It is a very great pleasure to work with him, as it is with the other members of the subcommittee, the gentleman from New Hampshire [Mr. COTTON], the gentleman from North Carolina [Mr. JONAS], the gentleman from North Dakota [Mr. KRUEGER], and the gentleman from Alabama [Mr. ANDREWS]. They too, did a very fine job.

I know I am fortunate in having been associated with such a temperate and objective group. I regret very much my own shortcomings which prevented me from convincing the other members of the subcommittee of the error of some of their ways.

However, it is too much to expect that we would be in agreement on all points. Yet I cannot escape the conclusion that in some respects, though the committee labored long, it produced only a mouse. This is particularly true in the field of housing, perhaps the most important problem facing every metropolitan community in the country today.

The United States is a growing Nation; the United States is an expanding Nation. In 1930 our population was 123 million; in 1950 the population had increased to 151,600,000. The Census Bureau estimates that by 1955 our population will have increased to almost 165 million, and by 1970 the population of the United States will approximate 204 million people.

How do we propose to house all of our fellow Americans? Right now private industry is engaged in building approximately 1 million housing units a year, a rate which is clearly inadequate; for at this rate we will be unable to keep up with the elemental task of providing enough housing for the people of our Nation.

Today we have approximately 50 million housing units. Of these 10 million are either dilapidated or deficient in plumbing and are considered to be substandard. A conservative estimate made by the President's Advisory Committee on Housing states that 5 million of these housing units will have to be destroyed, as being unfit for human habitation. These are the buildings proposed to be destroyed through the slum-clearance program.

I think we ought to look at some of the figures involved in the destruction of these unfit units because we ought to know what it is going to cost us. The President's Advisory Committee on Housing estimates that the cost of destroying each unit will be approximately $3,750. The Federal Government pays two-thirds of the cost, the cities pay the other one-third. For conservative calculation, let us assume the cost is only $3,000 a unit instead of $3,750. Multiply that $3,000 by the number of units to be destroyed; namely, 5 million, and you see suddenly the tremendous, almost fantastic task ahead of us. The calculation shows the cost of the national slum-clearance program to be $15 billion.

The President's budget recommends, and the committee allowed in full, the sum of $39 million. Contemplate this amount, and compare it with the total cost of $15 billion to do the job. It is a totally inadequate amount.

If we tried to do the job in 10 years, it would cost $1,500,000,000 a year. If we tried to do it in 50 years, it would cost $300 million a year. On the basis of the amount recommended by the President, and approved by our committee it will take 385 years to complete the job.

The administration has taken a completely inadequate and unrealistic approach. It has paid only lip service to a need that requires bold, courageous, and aggressive action, if our cities are to be saved.

Equally inept is the recommendation for public housing, for public housing goes hand-in-hand with slum clearance. The administration's recommendation of 35,000 units a year for 4 years can hardly be considered as even a minimum to take care of the needs of the people. Slum clearance is impossible without some provision for public housing. If this is to be the way in which the present administration proposes to clear slums and to provide better housing for people of low income, as was promised in the President's aggressive, dynamic program, the promise is, indeed, an empty one.

Mr. JONAS of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. YATES. I am glad to yield to my very dear friend from North Carolina.

Mr. JONAS of North Carolina. I thank my friend. Will not the gentleman admit that $97 million a year for 40 years is a large sum of money, and that is what the 319,000 units will cost.

Mr. YATES. I do not understand the gentleman's question.

Mr. JONAS of North Carolina. My recollection is that the testimony discloses that by next year there will be in place 319,000 units and that the maximum contributions will be approximately $97 million a year.

Mr. YATES. The gentleman includes an additional 20,000 units?

Mr. JONAS of North Carolina. The entire 319,000 units that will be in place at the end of this year.

Mr. YATES. I do not understand that the testimony disclosed that. As I remember the testimony that was given to us by the agency, there was a statement that it would cost some $65,200,000 a year for something like 252,000 units.

Mr. JONAS of North Carolina. And we are appropriating for 319,000 units.

Mr. YATES. We have increased the appropriation by $20 million over last year.

Mr. JONAS of North Carolina. Next year, if the additional units we are undertaking to authorize are constructed and put into operation, that will be raised to $97 million. That was my point.

Mr. YATES. The gentleman means for public housing?

Mr. JONAS of North Carolina. Yes, $97.8 million a year for 40 years. This is a heavy sum for an American public, burdened with a $275 billion debt, and with a very cold war in progress, to be paying out every year, is it not?

Mr. YATES. Yes; that is a high sum, certainly, but it must be weighed against the terribly high costs of inaction and continued municipal erosion. Slum clearance is one of the greatest problems facing us today. Our cities are caught in the throes of a terrible and spreading decay, a deterioration which prevents the cities from supporting themselves, because of the undermining of the tax base.

Mr. JONAS of North Carolina. But we cannot clear them up overnight or in 1 year.

Mr. YATES. I agree that we cannot clear them up overnight, but we ought to do more than we are doing. Even on the basis of 50 years as has been indicated in the report by the President's committee, a proper appropriation would be $300 million a year for slum clearance alone.

Mr. JONAS of North Carolina. But where would you get the money?

Mr. YATES. How do you raise money for other purposes?

Mr. JONAS of North Carolina. Does the gentleman advocate raising taxes?

Mr. YATES. Taxes should be raised during times which permit raising taxes. At the present time, we find ourselves in a depressed economy, if I may use the expression without being unduly criticized, and there should be some reduction in taxes to increase potential and actual purchasing power. We may find ourselves compelled to construct such public projects as public housing to bolster our economy, if for no other appropriate reasons.

Mr. JONAS of North Carolina. That is my point. If it is going to take $300 million a year extra, what are you going to cut out? Are you going to raise taxes?

Mr. YATES. We may have to incur additional deficit financing. Does the gentleman disagree with the President's statement that if there is no upturn in business conditions, we may have to resort to a Government building program?

Mr. JONAS of North Carolina. Let us not debate that issue. Let us stick to this one.

Mr. YATES. The gentleman just asked me that question. It was implicit in it.

Mr. JONAS of North Carolina. I asked the gentleman, who seems to be advocating spending $300 million more a

year on this program than we are now spending, where you are going to get the money?

Mr. YATES. I do not say, and I have not said to the gentleman, that I advocated spending $300 million a year for the program. I stated that if we wanted to do a decent job of slum clearance over a 50 year period it would cost $300 million a year. I do not know what the speed of such a program should be, but I do say that the amount appropriated in this bill, the amount recommended by the Bureau of the Budget, is abysmally small. The administration proposes a program to move at the speed of a glacier. It should be a much higher figure than the $39 million recommended.

The gentleman and I are in agreement that this is fundamentally a local problem. Yet, what is the plight of our cities? The cities are decaying. The blight is increasing. As a result, there is a throttling of the tax base, a diminution of the revenues which cities need to support themselves. There has been a shift of the burden of taxation from the blighted areas to the more recently developed areas. Certainly, if one looks at housing conditions in our cities today, one can only conclude that we need a bold, courageous program, one so far beyond that it doesn't even resemble the one recommended by the administration.

Mr. JONAS of North Carolina. The gentleman admits, I think that one of the ultimate results of this program will be to improve values in cities?

Mr. YATES. That is correct.

Mr. JONAS of North Carolina. Does the gentleman think the people who get the benefit of the increased real estate values should participate in the program?

Mr. YATES. They do.

Mr. JONAS of North Carolina. More than they do. They do not participate in the public housing program.

Mr. YATES. They do.

Mr. JONAS of North Carolina. They do in these other programs and they are the ones I am in favor of; and our committee gave every dollar requested for slum clearance and urban redevelopment.

Mr. YATES. I agree that our committee gave every dollar that was requested for slum clearance and urban redevelopment. I repeat my point—the administration did not budget enough. The figures speak for themselves. We appropriated every dime requested; yet it will take 385 years to clear the slums on the basis of the Eisenhower administration's terms.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. What did the President recommend in connection with housing units?

Mr. YATES. The President recommended that there be constructed 35,000 units a year for the next 4 years, a total of 140,000 units.

Mr. McCORMACK. And appropriations to be made therefor?

Mr. YATES. That is correct.

Mr. McCORMACK. And that was included in his budget message, was it not?

Mr. YATES. It was. As a matter of fact, I asked Mr. Cole specifically how he knew the President's recommendations in this respect. The reason I asked that question was because the majority leader, the gentleman from Indiana [Mr. HALLECK], said last year during the debate that the administration was taking no position with respect to the number of housing units. That is why I asked Mr. Cole the question. Mr. Cole told me that he had spoken to the President himself on it and 35,000 units was the President's recommendation.

Mr. McCORMACK. What have they recommended; what is recommended in this bill?

Mr. YATES. There is recomemnded in this bill the construction of only 20,000 units and, I say that if the United States Government were not under firm, binding contracts with various municipalities throughout the country, there would mave been no units recommended in this bill, not even the 20,000.

Mr. McCORMACK. In other words, they are recommending only what they have got to do under the law?

Mr. YATES. That is correct; over a period of 2 years.

Mr. McCORMACK. What the Federal Government would be responsible for legally.

Mr. YATES. That is correct.

Mr. McCORMACK. In other words, the Republican members of the subcommittee have repudiated, in this respect, the leadership of President Eisenhower.

Mr. YATES. I think the action speaks for itself.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman.

Mr. MULTER. The gentleman has been making a valiant fight for public housing and I hope he will continue it, even though we may lose the fight in this Congress. There will be another one in which I think we can do a little better. But the point that I should like to make is this: While the gentleman is trying to bring up the issue in this Congress, Shall we have public housing or no, there is a very deliberate effort being made to befog the issue. There is no question here of taxes, or of increasing taxes, or of having more or less taxation. The problem is only one: Do we need this housing, and what good would it do to clear the slums, if when you clear the slums and take the people out of the slums, you have no place to house them? That is the issue that the gentleman is presenting here, and I beg the gentleman not to let anyone confuse that issue any further.

Mr. YATES. I thank the gentleman. Let me say that the President's Advisory Committee on Government Housing was a Committee that was composed of 22 distinguished members of the housing industry, in one form or another. There were members of the Committee who are affiliated with mortgage companies, there were members who were presidents of banks, there were members of the Committee who were associated with the National Association of Home Builders. Of the 22 members of this Committee, which worked for months in investigating the housing needs of the Nation, there was only 1 dissent in the entire Committee from the recommendation that public housing be used as 1 tool for the purpose of clearing the slums.

Mr. MULTER. As a matter of fact, most of the private builders of the country, those who are building houses in the lower cost range, $7,000, $8,000, and $9,000 houses, as well as those who are building the more expensive houses, have all agreed that private enterprise cannot make a profit out of the housing that must be built for the lowest-income group. Unless the Government will supply the municipalities and localities with the money and wherewithal to house them, they cannot be housed.

Mr. YATES. The gentleman is correct.

Mr. McCORMACK. If the gentleman will yield further, does not the gentleman feel that this is a test of the leadership of President Eisenhower?

Mr. YATES. I certainly do.

Mr. McCORMACK. And that he ought to speak up and state where he definitely stands on this great progressive proposition?

Mr. YATES. Yes, I do; and I would like to say this to the majority leader——

Mr. McCORMACK. No; next year we expect that back.

Mr. YATES. I am glad to state to the minority whip, that last year the President recommended the construction of 35,000 public housing units. Mr. Cole came before our committee and recommended the construction of 35,000 public housing units. The committee turned that down. At the time the bill was being debated on the floor the majority leader, the gentleman from Indiana [Mr. HALLECK], stated that the administration was taking no position with respect to the public housing program. The very next day in a press conference the President of the United States stated that while he did not want to take issue with any Congressman as to his own personal opinion, he himself would have advocated the construction of 35,000 public housing units.

Later that year, however, after the bill had gone through the Senate and was in conference, what happened? The conference decided that 20,000 units should be built. It was also provided in that bill that we would take another look at the program, that the Housing and Home Finance Administrator should be authorized to report to the Appropriations Committees of the House and the Senate by February 28 of this year his recommendations with respect to the public housing program.

Acting upon that recommendation, the President of the United States said he was going along with the agreement that was made in the conference. He retreated from his former position. If the President actually wants 35,000 units to be built, as Mr. Cole says he wants them to be built, certainly he should take a

position in support of his own program. He should come out and say so.

Mr. PHILLIPS. If the gentleman will yield, may I ask him two rather brief questions?

Mr. YATES. The gentleman certainly may.

Mr. PHILLIPS. The first is this: The gentleman from Massachusetts [Mr. McCORMACK], the distinguished minority whip, wants to make an issue out of this being a repudiation of the President. I am not arguing that point. I am merely asking him whether 2 years ago when the President of the United States asked for 35,000 units, and the gentleman from Massachusetts was the floor leader, and the House gave 5,000 houses, he considered that a repudiation of the then President.

Mr. McCORMACK. I will answer that—absolutely, but I fought the 5,000.

Mr. YATES. You fought for more than 5,000. You fought for 50,000.

Mr. McCORMACK. Yes, I fought for 50,000.

Mr. YATES. I remember the gentleman fighting for an amendment for 50,000.

Mr. McCORMACK. Yes, I remember that. I did not fight for 5,000, I fought for 50,000.

Mr. PHILLIPS. In other words, the gentleman from Massachusetts repudiated the then President only to the extent of 25,000? The President had asked for 75,000.

Mr. McCORMACK. Oh, no, the gentleman from Massachusetts did not repudiate the then President.

Mr. PHILLIPS. You were fighting for 50,000 and he was asking for 75,000.

Mr. McCORMACK. I was fighting for a continuance of a real live program, and the gentleman from California knows it. This bill is a complete repudiation, and you cannot deny it.

Mr. YATES. Does the gentleman want to ask me any other questions?

Mr. PHILLIPS. I want to ask the gentleman from New York [Mr. MULTER] a question. He said we should not confuse the issue on this, that it was an issue of what should be done for people who need low cost housing. Is it that or is it a question of who should do it—whether it should be done through the local communities through their laws and through the local States and counties and municipalities or whether everything has to be done by a paternalistic and bankrupt government?

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. YATES. May I answer the gentleman's question by reading from the report of the President's own advisory committee, and I refer the gentleman to page 109. It will explain in part why action by the Federal Government is essential.

The fact is that our cities are caught in a descending spiral which leads to widespread municipal insolvency. The accumulated and continuing spread of blight eats away at the assessable base of the cities. As the blight spreads, it is inevitably followed by crime, fire, disease, and delinquency. Thus, does the need for city services increase. But the city's ability to meet the increased budget is automatically impaired by the very blight that creates the demand. More blight, more demand for services, less revenues to meet the demand—that is the downward spiral in American cities. Most often the cities with the greatest slum problem have the least capacity to deal with it. Hence, the call for Federal aid.

I suggest this to the gentleman's question. The gentleman has stated that it would be a good idea if we did away with downpayments on housing and permitted people to buy low cost housing, perhaps paying for them over a 50 year period or a 60 year period.

I refer the gentleman to page 138 of the report of the President's Advisory Committee where the expert to whom the committee turned for a recommendation stated and I quote:

We should not avoid the issue—

Meaning the issue of public housing—

by suggesting a form of pseudo home ownership for families without the economic ability to sustain it.

Can you imagine any mortgage company in the country lending money to a family earning less than $2,000 a year? Can you imagine such a thing? There is no provision for direct loans from the Federal Government, which is the only way the gentleman's suggestion is possible. As a matter of fact, during the 81st Congress when such a proposal was made, that there be direct loans from the Federal Government to take care of the low and middle-income families, that suggestion was killed by the House. In my judgment, the gentleman's argument is most unsound. It goes so far as to suggest the possibility that home ownership for families on relief may be feasible. Let us look at the facts. According to the census report of 1950, 40 percent of all American families earn less than $3,000 a year. Now how can these people buy housing at today's prices?

Mr. PHILLIPS. The gentleman gives the impression that the people who will be housed in this 20,000 unit program are people on relief. I am sure the gentleman does not mean to do that.

Mr. YATES. Of course the gentleman does not mean that. But, working people are housed in low rent public housing programs, people who may be unemployed from time to time, whose means of income may be cut off as a result of being unemployed. I know when unemployment compensation checks are received by those families, they are paid to the housing authorities in the form of rent. All people do pay rent for housing in these low rent housing projects.

Mr. MULTER. Mr. Chairman, I would like to answer the double barreled question of the distinguished gentleman from California [Mr. PHILLIPS]. First, personally not being a member of the team of Gloom and Doom, I do not think our country is bankrupt nor even on the verge of bankruptcy. Secondly, the municipalities, almost every last one of them, that have a problem of slum clearance, have come before the Congress and have sent their representatives to the various committees of the Congress to tell us that they cannot handle this job without Federal aid.

Mr. YATES. Mr. Chairman, I want to conclude my statement with the testimony of the person who was directed by the Congress of the United States to investigate this problem, former Congressman Albert Cole whose views in opposition to public housing are well known to the Members.

There was no more vehement opponent of public housing in this House than Albert Cole when he was a Member. This is what he said to our subcommittee:

Your committee has had very serious misgivings about the low-rent public housing program both as to its basic merits and as to its administration.

Speaking as to its merits, he said:

Let me say this: If I could believe that there is a fair and feasible way to terminate the present program now, as to new construction, I would recommend it to the President and to you. I have not found it.

This is Cole speaking.

Although I hesitate to speak for the whole membership of the Advisory Committee, I think it is fair to say that they began their work with a predisposition, perhaps a hope, that the low-rent program could be ended. Again, I think it is fair to say that the Advisory Committee recommended its continuation not because they were or are promoters of public housing, but because they were honestly convinced that for at least the next few years it is a necessary program. They could not, in all honesty, conclude that they were prepared to offer workable proposals which would reasonably seem to make it unnecessary. The basic problem can be stated simply—

Says Mr. Cole:

Everyone—literally, I think everyone—agrees that it has become a national necessity to do something about clearing out existing slums and stopping the formation of new slums. It makes no difference whether the question is approached from the point of view of human consideration, cold economics, practical politics, or any combination of these—the answer is the same. But in order to do what must be done, families must be moved out of slums and out of overcrowded and declining neighborhoods. Some, indeed many, of these families have very low incomes. We believe we can go a considerable way toward enabling private enterprise to meet the problems of families of lower income than is the case now. We propose to do that. But these steps, while they will shrink the problem, will not make it disappear.

So we come back, it seems to me, to the conclusion that for the time being, if we are to have a workable, across-the-board attack on urban slums and blight—we must continue a moderate program of federally supported low-rent public housing.

That was Mr. Cole's statement, and Mr. Cole came in to our committee, asking for authority to construct 35,000 units every year for the next 4 years.

Mr. JONAS of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. JONAS of North Carolina. Could the gentleman from Illinois, with whom I have had many interesting discussions, all of them pleasant, in the committee and out—will the gentleman not agree with me that the business of public housing ought not be considered separately, but that it is an integral part of the program of slum clearance and ur-

ban redevelopment, and all three programs ought to be tied in together; and will not the gentleman admit that I have advocated that all the while?

Mr. YATES. I will agree with the gentleman. I will say that I have not agreed with him on tying public housing only to slum-clearance programs, because there are other types of urban development which may dispossess low-cost families, so that they will require other housing. To that extent I do agree with the gentleman. I say further that in the slum-clearance program the Federal Government is not making the only contribution. The Federal Government is making two-thirds of the contribution. The cities are making one-third. I will say further that the cities, are making a contribution to the public housing program. They are doing that by giving up taxes, which is their right.

Mr. JONAS of North Carolina. They receive some taxes.

Mr. YATES. They receive 10 percent repayment in lieu of taxes.

Mr. JONAS of North Carolina. That is just the point, if the gentleman will yield. That is just my point. The cities in which these units are being constructed, or other communities, whether townships or counties, I think ought to pay a part of this cost. The Federal Government ought not to be expected to put up all the money.

Mr. YATES. Mr. Chairman, the administration's recommendation of 35,000 public housing units per year for 4 years is a bare minimum. The action of the House Appropriations Committee in failing to accept even the administration's recommendation is a death blow, not only to thousands of American families seeking a decent place to live for themselves and their children, but also to the efforts of our cities to revitalize themselves. We cannot clear the slums without providing other shelter for those who now live there. These are people who need our help. We cannot disregard them while we tear down the roofs over their heads. We cannot dispose of them as we dispose of the rubble of the buildings being torn down by carting them away and dumping them. Relocation is the key to slum clearance today, and public housing is a necessary tool in the relocation process.

Mr. Chairman, tomorrow I shall offer an amendment to provide for the President's program.

Mr. ANDREWS. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Chairman, I am alarmed by the continuing tendency of the administration to place dollars before defense, and to increase the calculated risk of the national security of America. Planning for the national defense of the United States in a number of instances has seemed to start with the assumption that X number of millions or billions had to be cut from the Federal budget. I speak up in protest because I believe that national defense planning should be based primarily on the international power situation and the realistic needs of a military establishment designed to protect effectively the free world from Communist aggression.

I have supported, and will continue to support the administration's plans for national defense. I am here to protest not what they are proposing or doing in this field, but what they are not doing for the defense of America.

In reducing the budget for making purchases of critical and strategic materials for the stockpile program by over $100 million, the administration is clearly taking a greater gamble on our national security. The administration's attitude seems to be that if war does come, our defense program will be too small anyway, so why not increase the risk just a little in the hope that we will be lucky enough to avoid a war. Mr. Chairman, I am unwilling to gamble in this fashion with our national security. The stakes are too high. Americans must be told the facts of international life today, and I am distressed that the present leadership seems unwilling to do this. These facts are that our state of military and economic preparedness must be based on the realization that if war comes, we will not have the long months—or years—to prepare for that war. We must be prepared to defend ourselves and to take the offensive instantly. Basic to that preparation is an adequate stockpile of critical and strategic materials. In an age of air-atomic-hydrogen power, we can no longer look to the great oceans on our eastern and western boundaries as bulwarks against sudden attack.

Now what is an adequate stockpile? Mr. Chairman, the man responsible for determining this is the President's defense mobilizer, Mr. Arthur Flemming. Mr. Flemming told the Appropriations Committee that the administration, through its Bureau of the Budget, cut the initial request of $309 millions for stockpiling materials to $199 millions. What was the reason for this cut? The answer given by the administration to this question before the committee was inadequate. The reply seemed to involve, in part, bookkeeping tricks. I fear the real answer is that the administration is willing to take a bigger risk with national security; to place more reliance on a hope we all, of course, cherish—that war will not come.

But keep in mind this fact, as stated by the Director of the Office of Defense Mobilization, Mr. Flemming, before the Independent Offices Appropriations Subcommittee:

> Nothing can go into the stockpile except as it is purchased by stockpile funds appropriated by the Congress (p. 1290).

It is significant that Mr. Flemming suggested (p. 1293) that if necessary, he could request supplemental appropriations from the Congress. If Mr. Flemming already has supplementals in mind, perhaps we should pause here in the House to ask if the program as presented is adequate.

There seem to be basic inconsistencies and contradictions in this aspect—as well as other aspects—of the administration's defense program. Specifically I refer to sharp cutbacks in defense money while all the top officials of the administration constantly argue that the Soviet threat to the free world remains constant.

Mr. Flemming, who is responsible for the materials stockpiling program, in his last report to the President, made the following significant statements, and I quote from his report:

> 1. Soviet communism remains an aggressive force bent on world domination—by subversion if possible, by violence if necessary.
>
> 2. Soviet Russia is capable of delivering suddenly and without warning the most destructive weapon ever devised by man on chosen targets in the United States.
>
> 3. Soviet Russia and its satellites have the power to launch local aggressions anywhere along the huge crescent border of the Soviet bloc and thereby endanger the security of the United States and the free world. (Report to the President, Director of ODM, October 1, 1953, p. 1.)

These are not reassuring words, and do not seem to me to justify cuts in our materials stockpile program that may seriously endanger our capacity to deal with this omnipresent Soviet threat.

Had the Soviet threat to the free world subsided, there would be justification for defense cuts, but from men who have the latest worldwide intelligence estimates we have heard the following words:

President Eisenhower:

> American freedom is threatened so long as the world Communist conspiracy exists in its present scope, power, and hostility. More closely than ever before, American freedom is interlocked with the freedom of other people. (State of the Union message, January 7, 1954.)
>
> Today there is a truce in Korea. After 3 years of hostilities, we are now in the first year of an armed peace. But we are a long way from achieving the kind of peace that is our goal. As long as the Communist threat to the free world exists, we must plan to maintain effective military strength in close cooperation with the other nations of the free world. (Budget message, January 21, 1954.)

Secretary Dulles:

> We have concluded that Soviet armed aggression in Europe is less likely today than it seemed several years ago. * * * But we also concluded that the Soviet threat persists and probably will long persist. We know, too, that Soviet atomic weapons make the threat potentially more serious than was visualized when this organization, NATO, was formed. (Dulles statement at Paris NATO meeting, December 14, 1953.)
>
> We live in a world where emergencies are always possible and our survival may depend upon our capacity to meet emergencies. * * * The Soviet Communists are planning for what they call "an entire historical era" and we should do the same. (Dulles foreign policy speech of January 12, 1954.)

Admiral Radford, Chairman, Joint Chiefs of Staff:

> There has been no reduction in the vast militant force of international communism which continues to threaten the free world. * * * We have convincing reason to believe that communism will desist from aggression only when free nations are united in arms, and only when they are stoutly defended (Radford, National Press Club speech, December 14, 1953.)

The Soviet Union has enormous natural resources, and a rapidly growing industry. It has a numerical superiority in land armies. It has powerful air forces. It has naval forces second only to the United States. It has buffer states with which to conduct limited wars. * * * the Soviets excel at a three-prong system of operations: Politico-economic, military, and psychological propaganda. Since militant communism is a triple-threat to the free world, it must be countered in all three areas.

We must * * * be ready for an emergency. It is only by having a force in being, ready to meet imminent danger, that we can insure security. (Radford speech, American Ordnance Association, New York City, December 2, 1953.)

Unfortunately, the threat of war has not diminished. * * * Even though this sense of crisis seems less, and even though the recovery from the devastations of the past is more complete, there unfortunately has been no reduction in the truly vast militant force with which the Soviet Union continues to threaten the free world. (Radford speech at West Point, December 2, 1953.)

None of these statements seem to offer support for any argument that we can afford to drastically cut our defense spending.

There are those who argue that we cannot afford to maintain what was considered by previous planners as an adequate defense posture. The Air Force was drastically cut last year and this year the Army has come under the heavy hatchet. This cut in the amount originally requested for defense stockpiling clearly seems to be based on budgetary rather than national defense considerations.

Those who are chiefly responsible for the overall policy resulting in these cuts—including the Director of the Budget and the Secretary of the Treasury—in arguing that we cannot afford what many consider adequate expenditures seem to show little faith in the American economic system. We should have a great and expanding national economy; our national wealth and productive capacity must continue to expand. Our ability to afford an adequate national defense system should also continue to expand. Whatever the cost, I say we cannot afford not to provide our people an adequate national defense system.

I am in agreement with our distinguished minority leader [Mr. RAYBURN], who some time ago commented:

I would rather be alive with an empty pocket than dead with a full pocketbook.

Mr. ANDREWS. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. FEIGHAN].

Mr. FEIGHAN. Mr. Chairman, from all quarters both here and abroad come questionings about the terrifyingly powerful hydrogen weapons with which we are now experimenting. An excited citizenry is asking for more information about weapons whose power surprised even their designers. Let me quote from Walter Millis, who wrote in the his New York Herald Tribune column yesterday, March 28:

There will surely have to be an official report on the current experiments at least frank enough to answer some of the myriads of questions as to national policy which the rumors have evoked and to give the public some concrete idea of what is actually planned or intended by the incorporation of nuclear weapons into current military and diplomatic policy to the extent which is being done. It is sheer nonsense to say that such a report cannot be made without giving useful military information to the Russians. The Russians have produced at least one fusion explosion of their own; they are certainly familiar with the basic physics and mechanics involved, and it is incredible that giving the American public the broad facts which are essential to a sound public attitude toward nuclear weaponry and defense would tell the Russians anything of any real use to them which they do not know already.

The present situation is intolerable. On the one hand a secret group of scientists are secretly developing devices, which even they apparently cannot fully control, capable of wiping civilization off the earth. On the other hand, a various group of diplomatists, civilian managers and soldiers are trying to weave these frightful weapons into a military-diplomatic policy which they cannot explain to the public in intelligible terms, in which the various architects are frequently in direct contradiction with one another, and in which nobody seems really to have thought out how or when or under what circumstances or to what ends these horrible weapons are actually to be employed. And finally, we are told over and over again that only an informed and enlightened public opinion can supply firm guidance through those morasses of military policy—a sentiment generally uttered as a preface to the statement that security requires wrapping the veils of secrecy more deeply than ever.

In view of a report that a hydrogen bomb, two and perhaps three times more powerful than that of March 1, will be detonated within a month, it becomes even more important to the peace of mind of our people that information in fuller scope should be given them. Whatever the merits of this demand, it remains a fact that under the restrictions of the Atomic Energy Act of 1946, President Eisenhower could not give a fuller explanation even if it were judged in the public interest to do so. Those restrictions were based upon a situation which no longer obtains. We had a monopoly then.

At the very beginning of his message to Congress on February 17, this year, the President said:

For the purpose of strengthening the defense and economy of the United States and of the free world, I recommend that the Congress approve a number of amendments to the Atomic Energy Act of 1946. These amendments would accomplish this purpose, with proper security safeguards, through the following means:

First, widened cooperation with our allies in certain atomic energy matters;

Second, improved procedures for the control and dissemination of atomic energy information; and

Third, encouragement of broadened participation in the development of peacetime uses of atomic energy in the United States.

After describing the stringent limitations on giving out atomic information imposed by the act, the President asked Congress to approve a number of amendments, the most immediately important of which relate to the declassification of certain "restricted data which relate primarily to military utilization of atomic weapons and which can be published without endangering the national security."

This request was coupled with another request relating to the industrial peacetime uses of atomic energy, and asked for the relaxation of "statutory restrictions against ownership or lease of fissionable material and of facilities capable of producing fissionable material." This, it is obvious, will set off lengthy discussion by proponents of public power and private utilities which may well be prolonged for many months. In view of the tremendous urgency of the hydrogen weapons problem, I believe, that these two proposals of the President should be dealt with separately. The exchange of military information with our allies who are profoundly perturbed about the place of hydrogen weapons in allied strategy, requires immediate action. So, too, does reassurance based on trustworthy information require important revision of the outmoded law enacted 8 years ago.

I urge that Congress take up the first two of the three parts of the President's message promptly and separately before the third part. For that purpose, I have requested the Office of Legislative Counsel to draft a resolution which will implement the recommendations contained in the first two parts of the President's message of February 17. I will introduce this resolution as soon as it has been drafted. My resolution would be part of integrated action by both the legislative and executive branches to deal adequately with the all engrossing crisis with which our rampant technology has confronted us.

The form that integrated action might take has been imaginatively conceived, I believe, in an editorial which will appear in the April 3 issue of America, National Catholic Weekly Review, and I quote:

NEW LOOK AT THE H-BOMB

Prime Minister Churchill thus addressed himself to a hushed House of Commons on March 23:

"Let me assure the House that there is nothing in the whole world of affairs that dominates our thoughts more than the group of stupendous problems and perils comprised in the sphere of atomic and hydrogen development."

The unpredicted power of the March 1 hydrogen bomb—said to be 600 times that of the Hiroshima horror. The irradiated Japanese 80 miles from the explosion. The atomic tuna. The AEC's extension of the test zone in the Pacific to a diameter of 900 miles. The rumor that H-ash fell on Japan, 1,600 miles away. The reflection that the bomb could have contained cobalt and killed everything wherever erratic winds might carry its "death-dust." The rumors that uranium or plutonium is no longer needed to trigger an H-bomb. Does any American dispute the priority the Prime Minister gave to atomic-hydrogen developments?

No doubt the President, personally, is just as concerned. But are the Department of State and the Congress? Has State devised an alternative to the outmoded Baruch proposals? What has happened to the report of the five-man State Department Panel on Disarmament headed by J. Robert Oppenheimer?

The Senate last year passed the Flanders resolution on disarmament only after provisions for a comprehensive study had been cut out of it by what Senator FLANDERS described as the lower echelons of the State Department. Congress gives no hint of tak-

ing up the President's February 17 request for absolutely essential revision of the Atomic Energy Act of 1946. Dozens of legislators know that "things have gone about as far as they can go"—and not only in Kansas City. In a prophetic moment some time before he died, Brien McMahon called upon the U. N. to drop everything and concentrate on preventing a hydrogen-bomb race. Last fall Senator WILEY proposed that the incoming Congress do likewise. Instead we got the Bricker business. And now—well, it is time a bipartisan group arose to demand immediate and thoroughgoing action.

Much can be done at once to move this overriding problem into the central position it so clamantly requires. The Arends resolution (H. Con. Res. 132), companion of the Flanders, was not voted on by the House last year. If the Congress would approve some such request for "a proper Government agency" to make "intensive efforts to solve the scientific and technical problems involved" in eliminating weapons of mass destruction, the State Department might reconstitute the disarmament panel into a larger high-level group of experts adequate to the task.

The first part of the President's request for revision of the 1946 act dealing with secrecy provisions should be acted on at once and separately. Otherwise prolonged wrangling over the part dealing with private industrial uses of atomic energy will postpone indefinitely even the partial lifting of the atomic curtain.

Finally, is it realistic to pursue at this time negotiations on the pooling of atomic material for peaceful uses? This has only an indirect bearing on actual disarmament, the hope being that distrust will be dissipated by cooperative action in nonexplosive fields. In his memorable address to the U. N. December 8 the President spoke first of our readiness to enter into "private" diplomatic discussions and of our being prepared to carry "a new conception" into them. Only afterward did he propose the international "atom-bank."

The hydrogen-powered giants he then pictured as glowering at each other across a trembling world are increasing their power so swiftly that they may soon themselves begin to tremble. The trust foreseen as a byproduct of limited cooperation may soon give way to desperate fear-reactions. It is safer to begin at once the direct approach to atomic-hydrogen disarmament by diplomatic negotiations. As soon, that is, as the United States has its "new conception" to offer.

Mr. ANDREWS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I, too, would like to express my appreciation of the fine way in which our chairman of the subcommittee has conducted the hearings. He is a hard worker. He is an able legislator and he has a keen sense of humor. I remember on one occasion, one of the agency heads addressed him several times as Mr. THOMAS. Of course, the gentleman from Texas [Mr. THOMAS] was chairman of the subcommittee 2 years ago. After this witness had addressed our chairman, the third time, as Mr. THOMAS, the chairman told him he was either 2 years too late or 1 year too early.

I think we have a good bill, with a few exceptions. I do not like the treatment that TVA has received from the committee. TVA is not in my section of Alabama. My district is not interested in TVA. But I do think that TVA is a great utility, Government owned. As a matter of fact, it is the only utility serving an entire State and several counties in two adjoining States.

I do not know of any Government agency that has done so much for so many people in a section of this Nation as TVA has for the poeple of the Tennessee Valley. The bitterest enemies of TVA testified before our committee that it is a well-organized, well-operated utility; that it is very efficient and economical in construction work. As a matter of fact, in the hearings you will find that TVA is the only utility that is able to construct steam plants within the estimate that they made in 1951 for the great Atomic Energy Commission plants at Paducah, Ky., and Portsmouth, Ohio. There were three utilities engaged by AEC to construct steam plants, to serve AEC plants at Paducah and Portsmouth, Ohio. One of the utilities privately owned made an estimate recently which is 45 percent higher than the estimate they made in 1950. The other privately owned utility is about 10 percent or 15 percent higher today in construction costs than they were in their orginal estimate in 1950. But TVA not only will stay within the original estimate but will do the job for about $3 million less.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I noticed in reading the hearings that some contracting concerns—I think that is what you might call them—appeared before the committee and complained about the policy of the TVA constructing some of its own works. Were these high-bidding people to whom the gentleman has referred some of those who appeared before the committee? Were they the same group?

Mr. ANDREWS. I do not know. We had many witnesses before the committee.

Mr. JONAS of North Carolina. If the gentleman will yield to me to answer that, I think the only person who appeared before the committee in regard to that kind of situation was the president of the General Contractors of America. He was appearing as a witness on behalf of the entire construction industry, not one company.

Mr. ABERNETHY. Of course, the object of his appearance was to get some business, was it not?

Mr. ANDREWS. I do not know.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from Illinois.

Mr. YATES. I think the point the gentleman is making is a very important one, because the Atomic Energy Commission has contracts with Electrical Energy, Inc., and with the Ohio Valley Electric Corp. under the terms of which it is to pay a fixed rate of return on the costs of construction by both those companies. It was indicated that in the case of the construction of the Joppa plant of Electrical Energy, Inc., the original estimate af approximately $139 million was subsequently increased to $197 million. I think it is important to point that out for the reason that the difference of a single mill per kilowatt-hour on a billion kilowatt-hours amounts to $1 million of revenue paid. I hope the Atomic Energy Commission in the future may not be compelled to pay rates predicated upon the drastically increased estimates.

Mr. ANDREWS. I thank the gentleman for that contribution.

Now back to the Tennessee Valley Authority and the purpose for which it was created. Congress about 23 years ago created the Tennessee Valley Authority, for the purposes of serving as much electricity to as many people at as cheap a cost as possible, to set up a yardstick to determine the fair and reasonable cost of electricity. Since that time the territory which the Tennessee Valley serves has been enlarged, and today we find that TVA is the only utility serving the State of Tennessee and many counties of Alabama and Mississippi. For 2 years the Tennessee Valley officials have requested the Budget Bureau and the Congress for additional money to build new steam plants. There are 23 plants under construction at this time, and we are appropriating money in this bill to complete those plants. But the Tennessee Valley Authority did ask the Budget Bureau for money to start construction of new steam plants, 4 at Johnsonville, 2 at Fulton, 1 at John Sevier, and 1 at Gallatin.

Mr. ABERNETHY. Does not the gentleman mean eight new units?

Mr. ANDREWS. Eight new units, at a total cost of $227 million. It will take 3 or 4 years to bring new units into production. They requested $85 million from the budget this year for the starting of the construction work on those eight new units.

Why do they need that additional power? They cannot expect to get it before 1957 or 1958, and every witness who appeared before our committee stated that in 1957 the demand for power in that area will be equal to or greater than the capacity of the Tennessee Valley Authority to produce. If we are going to continue to have the Tennessee Valley Authority as a Government-owned utility to serve Tennessee and the Alabama and Mississippi counties in its area, then I say we should treat the Tennessee Valley Authority as a utility. Every power company in America today plans ahead and anticipates the needs of the area it serves. It is fundamental in the power production business to stay ahead of your demand by at least 10 or 15 percent. Now, if we want to kill TVA, I think we ought to come out and do it and sell it, and not strangle it to death. That utility is for the purpose of serving that area. It may interest you to know that as of today, the Government agencies are taking from the TVA 35 percent of its power, and by the fall of this year the take by Government agencies, such as the AEC and the Air Force at Tullahoma, will be 50 percent of the total power production by the TVA.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield.

Mr. PRIEST. I wish to add one sentence at this point. About 2 or 3 weeks ago the AEC asked for an additional 200,000 kilowatts for the plant at Oak Ridge.

Mr. ANDREWS. Of course, that will add to the demand on TVA power. But, as of today, 35 percent of the power produced at TVA goes into Government agencies. By the fall of this year, 50 percent will be taken by Government agencies. It might interest you to know that the TVA furnishes the atomic-energy plant at Oak Ridge more power than the whole State of Texas used in 1952. I expect to offer an amendment to add $85 million to the sum appropriated for the TVA for the purpose of enabling them to start construction of these eight new units. I am firmly convinced that it would be far better for the TVA and far better for the citizens of the TVA area for this Congress to come out like a man and sell it and liquidate it than it would be to strangle it to death by slow means. If it continues to operate as a utility, it must be in a position to furnish the needs of the area which it serves, and unless we give them this money then we may expect in 1957 the TVA will be lacking, and it will be unable for the first time in 23 years to serve the area which Congress said it should serve. I hope the Committee will adopt the amendment.

Mr. PHILLIPS. Mr. Chairman, I yield 30 minutes to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS of North Carolina. Mr. Chairman, I want at the outset to express a word of appreciation for all of the courtesy and consideration extended to me during the past year by our distinguished chairman, the gentleman from California. I have been happy to sit at his feet and learn the intricacies of working on a subcommittee of the Committee on Appropriations, and if I have failed in living up to my responsibilities, it should not be chargeable at all to any lack of leadership and guidance on his part. I am proud, indeed, to serve under him and to follow his leadership. I never had the opportunity to serve on that committee under the leadership of my friend, the gentleman from Texas, but I have been impressed, as the other members of our subcommittee have been, by his intelligent approach to these problems and by his analytical mind and hard fighting qualities. I have also enjoyed my association on that committee with my friend, the gentleman from New Hampshire, who spoke to us a little while ago and who I regret has indicated that he will not return to the House of Representatives again. To my friend from North Dakota, I also express my appreciation for our association. I have enjoyed it immensely. The same thing applies to my friend, the gentleman from Alabama, who just addressed the Committee, and the gentleman from Illinois with whom I have had many interesting and not too acrimonious debates.

I would like to discuss two points in the few minutes I have available on this controversial TVA subject.

At the outset I would like to say I am not an enemy of TVA. Many weeks ago while we were in the midst of the hearings on the appropriations for TVA, I wrote two newsletters to the papers in my district, in which I outlined some of the great progress that the Tennessee Valley had made since the TVA has been operating there. I also made comment, and I repeat it now, that no one is undertaking to destroy TVA. It has become a part of the economic life of the Southeast; and, even if he had that desire, no one could succeed in destroying it, because TVA has grown to manhood and is no longer an innocent babe in the woods. It can take care of itself in any company.

One question I have in my mind about TVA is whether or not we ought to permit it to expand from the Tennessee Valley, as authorized by the original act creating the corporation. It was on that basis that I opposed the construction of a plant last year at Fulton, because, as I read the TVA Act, I do not believe the Congress gave TVA any authority to build steam plants or dams outside of the Tennessee Valley. The act authorizes construction on the Tennessee River and its tributaries. There is not a word, there is not a line in the TVA Act, in my humble opinion, which gives the TVA authority to build a steam plant on the Mississippi River 115 miles west of the Tennessee River.

My second point about TVA is that I believe it should pay to the American Government, for the use of the American people, interest on the money we have donated to TVA for its power program. I except money that has been spent for navigation or flood control in the Tennessee River, or for the resource development of the Tennessee Valley. I am speaking now only of the money that has been appropriated out of the Federal Treasury for the building of the biggest power system in the United States; that is, the TVA. Do you know how much money we have appropriated since TVA has been in existence, for all its manifold activities? More than one and three-quarter billion dollars, and more than a billion dollars of this money has been spent building the biggest power system in the United States.

I think the time has come for us to treat TVA, with respect to its power operations, as a gigantic power company. It ought to make a return to the Federal Treasury for use of the American taxpayers, at least the cost of the money we have provided TVA for its capital expansion.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield to the gentleman from Illinois.

Mr. PRICE. The gentleman made an interesting statement when he said TVA has obtained in appropriations $1¾ billion. I will say to the gentleman we got it all back when we dropped the first atom bomb on Hiroshima.

Mr. JONAS of North Carolina. That does not necessarily follow. I would like to bury that argument right now. It has been argued that the atomic bomb would never have been completed if we had not had TVA. That is not true, because TVA, throughout the operation of the war, had to call on private power to supplement its own power. It has been argued on this floor this afternoon that TVA is the only source of power for the Tennessee Valley. That is not in accordance with the facts. The facts are that last year TVA obtained from 11 to 12 percent of all of the power it produced and distributed from private-power companies operating around the periphery of the Tennessee Valley area.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield.

Mr. PRICE. I would say to the gentleman that TVA was the biggest factor in the success of the atomic energy program.

Mr. JONAS of North Carolina. The gentleman misunderstands me. I am not attacking TVA; I am merely raising the question whether in good conscience TVA ought to begin to pay to the American people interest on this billion dollars that we have invested in its power system.

TVA today is a power company; it is the biggest power system in the United States. Next year it will produce 50 billion kilowatt-hours of electricity.

And I will tell you another thing, Mr. Chairman, what some people do not know: About one-third of that power will be used by industries and commercial establishments of the Tennessee Valley area and not to put lights in the homes of people who reside in the Tennessee Valley.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield.

Mr. PHILLIPS. The gentleman from Illinois mentions the usefulness and the necessity of TVA to the dropping of the bomb. I think there is no doubt of the part it played, but the gentleman from North Carolina has already raised the question of whether the heating of private homes by TVA power is not a use in preference to the other uses to which the current might be put.

Mr. JONAS of North Carolina. There is not any question about any shortage of power developing for the Atomic Energy Commission.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield.

Mr. PRICE. Of course, anyone would concede the fact that TVA made power more available, but we also have to recognize the fact that TVA did contribute to the success of the atomic-energy program.

Mr. JONAS of North Carolina. That is not in issue here. I certainly am not questioning the importance of the role TVA has played in our atomic-energy program.

I am not raising any question about the contribution TVA has made to the country in the development of the atomic bomb or in the development of the great Tennessee Valley area; I am talking about simply one question, that

is whether we ought to get interest on the money we have put into the program which is something over a billion dollars. It does not involve anything except money that has been invested in building the biggest power system in the United States. And let me remind the committee, as has already been mentioned this afternoon, 50 percent of the production of TVA will be consumed by Federal agencies; between 30 and 35 percent will be consumed by industries and commercial establishments in the Tennessee Valley, and only about 16 percent will be consumed in the homes of the people who live in the area. Of that 16 percent that is to be consumed in the homes of the valley one-fifth is used to heat the homes of the people who reside in the Tennessee Valley. The record shows that 110,000 homes in the Tennessee Valley today enjoy the luxury of electric heat. Instead of having to use coal, gas, oil, or wood, power is so cheap and so plentiful in the Tennessee Valley area that 110,000 homes, 20,000 of which are in Nashville, Tenn., are today obtaining their heat from electricity.

Is it fair to ask the rest of the people of the United States to keep putting up hundreds of millions of dollars every year to provide this luxurious heat for the people of the Tennessee Valley?

Is it fair to ask the rest of us to put up hundreds of millions of dollars annually to increase the power production of TVA in order to give cheaper power to the industries and the commercial establishments in that area?

All that is at issue here is whether TVA should pay interest to the Government on the money the Government has supplied to build the power system. It is just as simple as that. I do not know of anybody in our committee who is antagonistic to TVA. Certainly I am not antagonistic to it. I am simply making the argument that with all of this money that has been spent creating this gigantic power system, the time has come now, if it is ever going to come, when the power system ought to provide interest on the capital that has been invested to create it.

It was brought out earlier in the colloquy between the gentleman from Tennessee and myself that this would result in raising the rates in Tennessee. The inference was that there was somebody sponsoring this proposition who was interested in a private utility. I would like to disclaim any such interest myself. I do not know of anybody on the committee who is interested in private utilities. I certainly have no interest or stock in one, have never worked for one, and am not motivated in my position by how it may affect any private utility. I live in a district served by the Duke Power Co. They are not in competition with TVA. The only contact it ever had was to furnish TVA some power during the war when TVA was short and needed power at Oak Ridge.

But with reference to this increase in rates, let me read you the statement of Mr. Clapp, Chairman of the Board of Directors, TVA, appearing on page 2464 of the hearings. I ask the question:

Is it not equally true that if you had to pay for the money you receive for capital investment, that is, if you had to pay interest on it, you would have to charge a higher rate for your power to take care of it?

Mr. CLAPP. No, we would not.

Mr. JONAS. You would have to get the money somewhere to pay for that? You do not take into consideration interest in fixing rates, do you?

Mr. CLAPP. But we take into account a rate of return higher than the interest cost. I think you are overlooking an important thing. We have been averaging between 4 and 5 percent as a rate of return on the average investment in these power facilities. Suppose you take even 2½ percent as an interest cost to the Government, we would still have enough left to make our 40-year return and the Government would still have the property. The electric rates that produced that rate of return were not only higher than the capital investment and of interest, but would leave a little over.

That ought to dispose of the question that rates would have to be raised if interest were to be charged.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield to the gentleman from Tennessee.

Mr. PRIEST. I appreciate what the gentleman has said, and in the colloquy between the gentleman and myself earlier today I certainly had no intention of intimating even that the gentleman had any interest in any utility or that there is any pressure of that sort. I said that in my opinion the effect of an interest rate provision in the bill would possibly be reflected in increased rates. May I just take a minute of the gentleman's time? To me it seems there is quite a distinction here between interest and what I consider to be actually a dividend because this property all belongs to the Federal Government. All of its earnings belong to the Federal Government. In any well-managed utility or any other business, dividends are paid out of net earnings after due consideration is given to operating funds that may be necessary. It seems to me, I will say to my good friend from North Carolina, that this is a move to legislate that a profit must be paid every year at a particular rate of interest, to legislate and determine in effect that it must be paid every year regardless of what the net earnings may show and regardless of whether it is a bad year or a good year. Will the gentleman discuss that particular phase of it?

Mr. JONAS of North Carolina. Yes; I will discuss it right now.

Mr. PRIEST. That is, the question of dividend rather than interest.

Mr. JONAS of North Carolina. The position of the majority on the subcommittee simply was this, that here we have invested the taxpayers' money. We did not have this money. How do we get our money? We either get it by levying taxes, or we go out and sell bonds. We spend a couple of million dollars a year urging people to buy Government bonds. Then what do we do? We pay them interest on those bonds. Then we turn around and make more investments in TVA without charging interest. I am simply saying that the part of TVA which has turned out to be the biggest power system in the United States, with an income next year from the sale of power that will exceed $200 million, ought to pay interest on that investment, and they ought not to expect the American taxpayers to continue to supply their capital interest-free, in addition to which we do not get any income tax out of that $200 million a year in power revenue.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Is it not a matter of law now that outside of the amount of money that is on hand and needed for the current operation of TVA, that the act provides for TVA to pay it into the Treasury, anyway?

Mr. JONAS of North Carolina. That is right. We just want about $20 million a year in interest.

Mr. WHITTEN. So, if that be true and that is the law, then to say that they must return each year this so-called interest means, as the gentleman from Tennessee has said, that you just say, "This year we are going to take out about $38 million in operating funds; we are going to pull that in," if that is one of the provisions in this bill, but in addition to that, under your so-called interest rate procedure, you say, "In addition, we are also going to take out each year this additional amount of money regardless of that year's operation by the TVA." Now, it is my understanding that any money above actual operating expenses, plus the reserve for the proper operation of this corporation, under present law, has to be returned to the Treasury.

Mr. JONAS of North Carolina. Sure, under the present law it belongs to the Federal Government, but we do not get it. That is just the point. We not only do not get it, but they spend all they take in on their own expansion with the exception of payments required by law to apply on principal and keep coming back to us every year for hundreds of millions more, and that is the point.

Mr. WHITTEN. Could it be the increased demands of the Atomic Energy Commission which repeatedly this Congress has dumped on them that brings about that situation?

Mr. JONAS of North Carolina. I just stated that next year about 50 percent will go to Federal agencies, about 34 percent to industrial and commercial users, and about 16 percent of the power produced by TVA goes to residential users, and one-fifth of the 16 percent of that goes to heat houses.

Mr. WHITTEN. But the additional money in recent years that has been made available to TVA by appropriations has largely been to increase it productive capacity to meet Federal Government demands.

Mr. JONAS of North Carolina. I think TVA is spending about a half million a year promoting the sale of electricity.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield to the gentleman from California.

Mr. PHILLIPS. I do not want the matter to stand as I think the gentleman from Mississippi inadvertently left it, that we had denied $25 million or that the $25 million had been taken from the operating expenses for 1955. That was taken from what the Tennessee Valley Authority itself said will be a minimum of the amount left over and unused at the end of 1955. There is no money taken from operating expenses that the Tennessee Valley Authority has any expectation of using.

Mr. WHITTEN. Mr. Chairman, if the gentleman will yield further, I would just like to say this, that the net effect, in my judgment at least, is as I have pointed out—by requiring that certain activities which the Commission has approved be confined in the way that the gentleman says—the effect is to reduce the operating capital of the corporation.

Mr. JONAS of North Carolina. May I say that the corporation has never had a dearth of operating capital. TVA will have in the bank July 1 of this year $309 million. Now, part of that is already obligated. They will start off fiscal 1955 with $309 million in the bank. They will receive from the sale of power $200 million and about $20 million from the sale of fertilizers and chemicals. In addition to all of that, we gave them $103 million in this bill.

Does not that look to the gentleman as if it ought to be adequate capital? They have carried over money every year, back as far as I have checked the records. I think the Federal Treasury today is in worse shape than the TVA.

Mr. WHITTEN. Let me say to the gentleman, whatever the condition of the Federal Treasury—and I agree with him that it is in a bad plight—that the wealth that we have in this country, including the TVA power generation facilities, is the only thing that keeps the country from really getting into bad shape, because it is things like that, plus the other physical properties of our country, that represent our wealth, after all.

Mr. JONAS of North Carolina. May I say on that point that we heard a lot of debate in this Chamber last year, and we will hear it again, about the wonderful blessings that have come to the Tennessee Valley as a result of TVA. I am proud of the fact that those people have received those advantages. But let me say to you, Mr. Chairman, that most of those advantages would have occurred without TVA. Why do I say that? I say that because my State did not have any TVA and we have made just as much progress as Tennessee has in the last 20 years. The same is true of Georgia. The same is true of Alabama. The statistics are there; they are in the record. Tennessee has made progress. Of course it has. But TVA is no more responsible for that progress than the private power companies are responsible for the progress that North Carolina has made.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield.

Mr. ABERNETHY. I do not want to be misunderstood. I certainly do not question the gentleman's sincerity, because I know he is very sincere and has made a very thorough study of this subject. I am satisfied that he believes everything he has said on this matter. But here is what I want to ask the gentleman. Does not the gentleman agree that had it not been for the power policy of previous administrations regarding TVA and the development of rural electrification—the Bonneville Power Association and so forth—that the progress which has been made in the gentleman's State and all other States of the Union would not have been made?

Mr. JONAS of North Carolina. I would not agree on that. I see no point in our debating that subject. The gentleman has his view on it. I think and have always contended that we have made progress in this country under every administration. I do not think any political party is entitled to the credit for the progress that we have made. I do not think that the wheels of civilization first began to turn in 1933. I think we made great progress in this country from 1900 up to 1933, and I think we will make progress in the future. I think most of the progress we have made, however, has been due to the native ability, spirit of self-reliance, initiative, and love of liberty on the part of the people and not due to any political party.

Mr. ABERNETHY. Would the gentleman yield for another question?

Mr. JONAS of North Carolina. Yes.

Mr. ABERNETHY. The gentleman is familiar, without restating it, with what the President had to say during the campaign in Memphis and Nashville regarding TVA. Will the gentleman tell us whether or not this bill which his committee has brought out is the Eisenhower program for TVA?

Mr. JONAS of North Carolina. I am not speaking now on any program except my own. The Chief Executive will speak for himself. I have my own responsibility and am trying to discharge it.

Mr. ABERNETHY. I appreciate that, and I think the gentleman is very capable of carrying his responsibility out, and does an effective job.

Mr. JONAS of North Carolina. With respect to the statement attributed to the President in the Tennessee newspapers, that he would not undertake to liquidate TVA or something to that effect, I am in agreement. I do not stand here advocating the abolishment of TVA. We gave them $103 million in addition to all the money they had on hand. Is not that treating them pretty well? Is not that a pretty large amount of money?

Mr. ABERNETHY. We have had no increase of power down there.

Mr. JONAS of North Carolina. Did not the gentleman hear me say a minute ago that TVA gets a lot of its power from private power companies?

Mr. ABERNETHY. And in the past it has sold some of its power to private power companies.

Mr. JONAS of North Carolina. There is a private power utility operating right there at the edge of Memphis, Tenn., that last year sold TVA three-quarters of a billion kilowatt-hours of power and TVA integrated it into its own system. There is another private power company operating right out of Chattanooga that sold half a billion kilowatt-hours of electricity to TVA last year.

Mr. ABERNETHY Going back to my other question, will the gentleman tell me whether or not in his opinion this bill is in keeping with the President's program and commitment to TVA?

Mr. JONAS of North Carolina. Why is it not? But I am not here to defend the President's program today. I am here trying to explain why our committee believes that TVA ought to pay the American people interest on the money we have provided for the development of this great power system.

Mr. ABERNETHY. Did not the Republican members of the committee apprise the President of what they were about to report out, to determine whether or not it was in keeping with the administration's policy?

Mr. JONAS of North Carolina. Why not ask the other Members that? I do not call up the White House and discuss matters with the President.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield.

Mr. JONES of Alabama. The gentleman stated there were private utilities in the surrounding area that offered to sell TVA electric power Is that the reason the committee reduced the budget request from $141 to $103 millions?

Mr. JONAS of North Carolina. No, we gave to TVA every dollar they need to complete the construction of every unit that is now under construction.

Mr. JONES of Alabama. I am speaking of the budget now.

Mr. JONAS of North Carolina. I am talking about the bill and the request that was made of us by TVA.

Mr. JONES of Alabama. My question is, Is that the reason the committee reduced the budget request from $141 to $103 millions?

Mr. JONAS of North Carolina. We did not reduce it that much. We told them to spend some of this money out of the $220 million they are going to receive from the sale of power next year, and the reserves that they have. We gave TVA every dollar they need to complete the construction of the steam plants now under construction.

Let me make one thing very clear: The reason I have mentioned the fact that TVA is now acquiring power from private utilities is so that there will be no misunderstanding on the part of the House as a result of statements made here in this Chamber that TVA is the only supplier of power in the TVA area. That is just not in accordance with the facts.

Mr. JONES of Alabama. Will the gentleman read the report where it states

there was a reduction of $38,218,000 and say that there was no reduction?

Mr. JONAS of North Carolina. May I suggest to the gentleman that he read the rest of it, and he will see that it is not a reduction. Most of that money is transferred to the corporate account or reserves.

Mr. JONES of Alabama. Yes, and out of the corporate account would be the amount of the reduction in the budget request.

Mr. JONAS of North Carolina. They were just asking us to put up taxpayers' money to do this, and we said, "As to that amount of the budget, you pay for it out of the money you receive from the sale of power."

Mr. MURRAY. Will the gentleman yield?

Mr. JONAS of North Carolina. I yield to the gentleman from Tennessee.

Mr. MURRAY. I am sure the gentleman does not want to leave the impression that on June 30 of this year TVA will have $309 million which is not committed.

Mr. JONAS of North Carolina. I did not say it was uncommitted. I said part of it was obligated.

Mr. MURRAY. I refer the gentleman to page 2451 of the hearings, where the following testimony appears:

I would like to be sure the record is clear on this and I do not want to misunderstand you, either; so let me start off with the $309,842,000 in cash that you expect to have in the bank on June 30, 1954. What liabilities will exist against that cash at that time?

Mr. Wessenauer, who is an official of the TVA, replied:

We estimate current liabilities of $64.5 million. We will have unliquidated commitments of $223.5 million.

Mr. JONAS. Those liabilities add up to $288 million.

Mr. WESSENAUER. That is right.

Mr. JONAS. So that would reduce your cash position to about $21 million.

Mr. WESSENAUER. That is right.

So that TVA will have only $21 million that is not committed on June 30th.

Mr. JONAS of North Carolina. No, that is not true. That was corrected later. Several pages later in the hearings the gentleman will see that TVA admitted they will have in the neighborhood of $46 million in carryover funds instead of the $21 million. That is what they have had, roughly between $40 and $50 million, every year.

Mr. WHITTEN. If the gentleman will yield, will he not admit that $46 million is a whole lot different than the $300 million figure?

Mr. JONAS of North Carolina. No, I did not say they had $309 million in unobligated funds. I said part of that is obligated.

Mr. WHITTEN. But by not going into the question of obligation or unobligation the implication was easily left here that there is $309 million.

Mr. JONAS of North Carolina. They will have $309 million unspent to begin 1955 with, part of which has been obligated.

Mr. WHITTEN. How much?

Mr. JONAS of North Carolina. I do not know offhand, but the record will show that.

Mr. WHITTEN. It would be the difference between that and $46 million.

Mr. JONAS of North Carolina. No, the $46 million is what they will have on June 30, 1956, but the average cash balance that they carry from month to month is in the hundreds of millions of dollars. I have that record here and I will put it in the RECORD. They made a table showing the average cash balance. It is in excess of $100 million. I am glad, however, if there was any misunderstanding, to clear it up. I did not mean to say that they will have $309 million in unobligated funds. I said part of those funds are obligated, but I want to emphasize the fact that they will have $227 million in income, and we give them $103 million.

In conclusion, may I apologize to the members of the committee for taking up so much time. I meant to sit down long ago, but questions were asked and I felt that I should try to yield to answer them.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield.

Mr. McCORMACK. I merely want to comment that I think this debate has been a very excellent one and a very interesting one. The gentleman has yielded very generously to answer questions, and the gentleman from California too has given me some of the most pleasant moments I have ever had in my many years here by reason of the constructive debate that we have just had.

Mr. JONAS of North Carolina. I thank the gentleman for his kind words.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield.

Mr. GAVIN. I, too, want to compliment the gentleman on his very fine statement. In fact, I was inclined to get into the debate so that I could be of some assistance to him, but I saw you were handling yourself very well and were taking on the whole TVA one at a time and doing a very fine job. I think the gentleman deserves our hearty commendation.

Mr. JONAS of North Carolina. I was not offering to take on anybody. I just have the feeling that the TVA, out of its vast power revenues, ought to return to the American taxpayers interest on the money that we have given them for that development. That is all there is to it.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield.

Mr. ANDREWS. I am sure the gentleman is familiar with the TVA territory, is he not?

Mr. JONAS of North Carolina. Yes, sir, I am thoroughly familiar with it.

Mr. ANDREWS. Is it not true to say that there is only one utility operating in that territory?

Mr. JONAS of North Carolina. No, sir, there are other utilities operating in Tennessee.

Mr. ANDREWS. I say in that territory.

Mr. JONAS of North Carolina. I think there are four operating in Tennessee. I think this is the only one that generates electricity.

Mr. ANDREWS. I am talking about generating electricity.

Mr. JONAS of North Carolina. There are some gas companies.

Mr. ANDREWS. I mean the TVA is the only one for electricity.

Mr. JONAS of North Carolina. I think that is true.

Mr. ANDREWS. The TVA is the only utility engaged in the business of producing electricity, is it not?

Mr. JONAS of North Carolina. Yes, I think that is correct.

Mr. ANDREWS. The record shows that from time to time the TVA calls upon private utilities in the periphery area to furnish them power, and then the private utilities call upon the TVA to furnish them power, is that not correct?

Mr. JONAS of North Carolina. That is correct.

Mr. ANDREWS. Then it is true that the TVA is the only power producing utility in the TVA area?

Mr. JONAS of North Carolina. I suppose the difference between us is this. The gentleman says that the TVA is the only producer of power in that area. I say that there are other producers of power around the periphery of TVA.

Mr. ANDREWS. I will not argue about that.

Mr. JONAS of North Carolina. There are other producers of power around the periphery of the TVA who supply the TVA with some power which TVA integrates into its system.

Mr. ANDREWS. My statement was that it was the only power-producing utility operating in the TVA territory.

Mr. JONAS of North Carolina. I would agree that that is a correct statement.

Mr. ANDREWS. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. FRAZIER].

Mr. FRAZIER. Mr. Chairman, we have all enjoyed the debate between the distinguished gentleman from North Carolina and the other Members. He has his idea as to what should be done with the TVA, and we who live in the immediate area which is served by that great agency of the Government differ somewhat with the distinguished gentleman from North Carolina. The Tennessee Valley Authority requested an appropriation of $227 million for 1955. Eighty-five million dollars of this amount was for the construction of 4 additional units at Johnsonville steam plant, 1 at John Sevier, 1 at Gallatin, and 2 units at Fulton.

The Bureau of the Budget recommended an appropriation of $142 million, but nothing for new construction.

The Appropriations Committee, in reporting this bill, recommends an appropriation of $103,582,000, cutting the

amount recommended by the Bureau of the Budget by $38,218,000.

The bulk of the 1955 appropriation requested by TVA is for power facilities to provide for national defense. At the present time about 45 percent of all electric power generated by TVA is used by the Government for national defense.

This is more power than was used by the State of Texas last year, or in the State of Ohio. In fact, the electric power used by the Atomic Energy Commission last year is greater than that used by any 1 of 45 of the 48 States; it is exceeded only by the sales in the States of New York, California, and Pennsylvania.

The greatest single factor in the rapid increase in demand for power which has occurred during the past few years in the Tennessee Valley has been the need of the Atomic Energy Commission.

IMPORTANCE OF TVA POWER FOR NATIONAL DEFENSE

By far the greater part of the new generating capacity that TVA plans to put in operation between now and the fall of 1956 and 1957, and for which Congress is presently being asked to appropriate funds, will supply power vital to the defense of our Nation. More than half of it is required to help power the new and expanded atomic energy installations; other parts will supply industries producing vital defense materials—large power-consuming industries supplied directly by TVA and a large number of smaller industries served by the municipal and cooperative distributors of TVA power.

In World War II, three-fourths of TVA's entire power output was used for defense production. More than 10 percent of all the power used in the United States defense effort came from the TVA system. In future emergencies, similar or larger proportions are to be expected. The availability of TVA power, not only during the war but before the war, was of incalculable value: TVA power produced much of the aluminum that helped make possible the rapid expansion of the aircraft program; TVA power was used to produce much of the phosphorus for incendiary bombs and other military uses; TVA power produced large quantities of the ferroalloys so essential to the production of alloy steels for weapons of all kinds; TVA power helped separate uranium 235 at Oak Ridge for the A-bomb; and the availability of TVA power was a key factor in the location of the Oak Ridge operations.

History has a way of repeating itself—TVA power will be as badly needed again. Last time a vital margin of power capacity was available. Will the power be available the next time? Today's limited supply of power will greatly increase the initial operating costs of the new atomic energy plants. A margin can be provided without any cost, because temporary uses of the power can be found on a moneymaking basis, but shortages are very, very expensive. The generating capacity TVA hopes to add between now and the fall of 1956 is not enough to again establish the much-to-be-desired margin of power supply that was so valuable before and during World War II. It is designed to do no more than to keep power supply barely ahead of presently foreseeable demands. With any less capacity, we would face future crises not with power to start with but with the serious handicap of a power deficiency before defense demands begin to mount.

It is inconceivable to believe that this Congress would knowingly increase the cost of national defense, but that is just what it will do if the appropriations for TVA are cut so that it cannot generate sufficient power to supply the AEC with its requirements. The only other alternative is to purchase this power from private utilities at very much higher rates.

The present bill, now under consideration, contains several provisions which, if adopted, will ultimately destroy the purposes for which TVA was created. That is a yardstick to determine what should be a fair price for generating and selling power to the public. The provisions in this bill are cleverly designed to destroy this yardstick.

First, the bill restricts the amount of electricity that can be supplied, by failing to provide adequate funds to build additional generating facilities. Naturally, the more electricity generated, the cheaper it can be sold to the consumer, whether it be to the Government or private industry.

Second, it provides that the TVA, a Government agency, be required to pay interest on the money the Government has invested in this Government owned and operated agency. The Government owns the TVA, and the act provides that all the money invested by the Government in the powerplants be paid back to the Government over a 40-year period. This is now being done, and when this money is repaid, the Government will own this vast utility. It is the best investment ever made by this or any other Government. By this provision, as in the first provision, the opponents of TVA hope to cause a rise in the rates, and thereby justify the higher rates charged by private power companies.

In the present bill no funds are provided for resource development, which was and is one of the most important functions of TVA. The bill does provide that TVA may use not to exceed $600,000, derived from proceeds of operations, for this purpose. This fund should be increased to at least $1,200,000, the amount received last year.

Last, the bill provides that no limitation be placed by TVA on resale rates of power fixed by local distributors. This is the worst feature of the entire bill, and completely destroys the power of TVA to keep down electric power rates.

In my State of Tennessee, the municipalities could charge, without restriction, any rates they desired. It has been said that cheap rates in the TVA area have attracted industry to come there. If this provision is left in the bill, it will bring about just what enemies of TVA have charged but do not want. Industries will come to the TVA area, for there is nothing to prevent any of the municipal distributors of TVA power from agreeing to supply, as an inducement to a manufacturing plant to come to the TVA area, such electric power as would be needed to operate the plant absolutely free, or at such low costs that no company could compete. Furthermore, there is nothing to prevent any municipal distributor from raising its rates if it needed funds to build schools, roads, or to pay other operating costs.

When TVA was created it was common knowledge that many existing municipal electric systems as well as privately owned systems were being managed on a basis not compatible with sound principles of public-utility administration or with the policy objectives prescribed by Congress for TVA. For example, in some municipalities the electric systems were so operated as to compel the electric-rate payers to pay all or most of the costs of municipal government through their electric light bills. In other communities there was gross discrimination in rates, with certain groups of consumers or certain industries receiving service at rates which were unduly low and which were in effect subsidized by the other consumers. In only a few communities in the country was there an awareness of the importance of ample supplies of low-cost electricity as an instrument for raising the levels of community prosperity.

The resale rate agreements were therefore specifically authorized by Congress, as a means by which distributors could signify their willingness to adopt these objectives, and could establish rates adapted to them with the knowledge that all other TVA distributors were following the same course. In short, the resale rate agreements were and are the basis of a partnership aimed at carryout the policies stated in the TVA Act and at realizing the economic benefits which it was believed would, and which in fact did, result from these policies. The Tennessee Valley region has entered wholeheartedly into this partnership. The legislatures of the States in which TVA principally operates have passed legislation in effect approving the resale rate agreements by specifically authorizing municipalities, cooperatives, or both, to enter into them.

Maintenance by distributors of rate standards conforming to the policies set out in the TVA Act and endorsed by the Tennessee Valley States is feasible only because there is a definite contractual provision relating to resale rates which is applicable to all distributors alike.

Having discussed some of the provisions of the pending bill, I now wish to call to your attention briefly the history of the TVA and its benefits to the Nation.

Tennessee Valley Authority, was established 21 years ago, on May 18, 1933, and is now entering its 21st year of service and benefit.

In the act creating TVA the Congress directed it to—

First. Provide the maximum of flood control.

Second. Develop the Tennessee River for navigation.

Third. Consistent with flood control and navigation, to generate electric power.

Fourth. Develop the proper use of marginal lands.

Fifth. Further and develop reforestation.

Sixth. Make a contribution to the improvement of agricultural conditions.

The Tennessee River Valley was selected for this great National project and resource development because the Army engineers had prepared many surveys and had most complete information concerning it readily available. The Tennessee River is 650 miles in length, and during its course drops approximately 600 feet. In the place of its origin in the mountains of eastern Tennessee, North Carolina, and Virginia, there is approximately 80 inches of annual rainfall with about 50 inches prevailing over the entire valley. The largest city upon the Tennessee River is my home of Chattanooga, Tenn.

Let me say now, that the TVA is not just a giant electricity enterprise as it is so often and erroneously thought of. It is a great program in the development of the Nation's resources, confined, of course, to a specific area, but with the benefits being enjoyed nationwide. It was the TVA which pioneered in the construction of multiple purpose dams which developed the maximum benefits from control of a river—thus reaching several objectives instead of only one. They put into operation the very practical rule that control of water in a region, by means of dams, is naturally and inevitably linked with control of water on the land through better farm and forest management. Better farm and forest management have been developed and practiced in the Tennessee Valley contributing directly to the control of water, which in turn has its effect upon the stream flow of the river.

Many of the original TVA objectives, as defined by the Congress, have been substantially achieved. Others will be continually achieved with the passage of time. TVA's integrated system of 28 dams, which control the flow of water, have been very effective in the reduction of floods. Of the $11 million of annual average benefits which have been brought about, through its system of flood control, more than half of these benefits are outside of the valley—in the lower Ohio and Mississippi Valleys. It provides security from floods, of certain stage, to nearly 6 million acres of productive Mississippi Valley land—it reduces the frequency of floods in the Mississippi Valley on an additional 4 million acres. The direct savings from flood destruction in the valley have been tremendous. My own city of Chattanooga has been saved an estimated $45 million. Let me say that TVA manages the flow of the river with flood control as their first consideration.

A 9-foot navigation channel now exists upon the Tennessee River from Paducah on the Ohio to Knoxville, Tenn., a distance of 650 miles. This ice-free, all weather channel links the great Tennessee Valley region with the 8,000 mile inland waterway system of the United States. Upon it traffic is now running at the rate of nearly 1 billion ton-miles annually and this tonnage includes oil, gasoline, automobiles, coal, fertilizer, corn and wheat from the great producing regions of the Midwest and from the ports on the gulf coast. Shippers using this channel are saving in excess of $8 million annually in traffic charges.

The cost to the Federal Government for operation and maintenance of this navigable waterway, which includes depreciation charges, expenses of the United States Army engineers and the United States Coast Guard who operate and maintain the locks at the dams, amounts to only $3,600,000 annually. Thus, the difference between cost and saving in shipping costs is some $4,400,000 annually, equal to a return of more than 3 percent on the public investment from this national navigation channel. In the coming years literally millions of tons of coal will use this waterway as it flows from the mines of western Kentucky and southern Illinois into this steadily growing manufacturing region.

TVA, working with forest agencies in the valley, both State and national, has contributed greatly to the development of the area's great resource of timber and wood products. At one time the valley was the hardwood center of the world. In the not too distant future, as a result of forest programs now in progress, many of them sponsored and developed by TVA, the Tennessee Valley will again someday be one of the Nation's major hardwood centers. Over 236 millions of trees have been produced by TVA and distributed for reforestation—85 percent of the valley's forests now have some form of organized fire protection, and scores of owners of timberland have adopted systemized yield-cutting practices. The Tennessee Valley's already large economic activity based on the forests of the region has been steadily increasing.

The entire Nation, and fertilizer companies widely scattered, have benefited by TVA's work in the field of fertilizer development. It has been a factor in opening up the Nation's western phosphate reserves. Through use of the test demonstration farm principle, thousands of practical farms in many States have been encouraged and assisted in improved farm management, which in turn conserves the soil.

It is a primary requirement of any region, which must be met if there is to be a continued growth, that power-generating capacity in the region must be developed to meet its electricity requirements. This is true in the Tennessee Valley region. In 1933 municipalities, farmer-owned cooperatives, and the Federal Government joined as partners in the production and distribution of electricity. Through the TVA, the Federal Government became the source of the generation and transmission of electric power. The municipalities and the farmer cooperatives became the distributors and retailers. A relatively few large industrial users of electricity began the purchase of electricity directly from TVA. Over the years our National Government has erected enormous national-defense installations in the valley largely because of the availability of the required quantities of electricity, the remoteness of the location, and the strategic advisability of placing them there.

As the hydroelectric potential of the Tennessee River was developed, steam plants were constructed by the Federal Government to augment and firm up this supply, the first of these being in 1941. As the requirements of the Federal Government increased and skyrocketed, additional steam plants were built. With the low rates which prevail for the retail sale of electricity, consumption in the home, on the farm, in business and industry likewise skyrocketed. When the construction program now under way is completed in 1957 and 1958, national-defense installations will be consuming approximately 40 percent of TVA's electricity. This tremendous quantity—25 billion kilowatt-hours a year—when produced along with the approximate 36 billion kilowatt-hours a year required by others, comes at a much lower cost than if produced separately.

The accumulated net income will steadily increase during the coming years with the liability to the Treasury being steadily decreased by the payments which TVA must make to retire over a 40-year period appropriated funds invested in power facilities.

The nearly 1¼ million consumers of electricity in the TVA service area representing some 5 million people in the area of 80,000 square miles have a moral and legal right to feel that there is an obligation for the partnership power program which has been in existence for 21 years between them and the Federal Government to be continued. This partnership program has been of benefit to the Nation—a national asset in the production of national-defense weapons, a contribution to strengthen an area which was undergoing economic stress. Augmenting the Federal Government's investment in this partnership, municipalities, and farmer cooperatives have invested hundreds of millions of dollars in distribution systems. Business and industry, the farm and the home of the Tennessee Valley's millions have invested additional hundreds of millions of dollars in electricity-consuming equipment upon the belief that this partnership and the conditions surrounding it would continue. The people of the Tennessee Valley expect the Federal Government to continue to carry out its responsibility as the power supplier for the region.

They are paying and will continue to pay for their power supply charges for this electricity which make it a profitable investment for the Federal Government. Under this system of retail distribution, no holding company act will ever be required of the Congress to protect the interests of the ultimate electric consumers. There will be no financial debacles or stock manipulation schemes in connection with these locally owned distribution systems for somebody to unravel in the years to come. There is no

rapid tax-amortization program in effect upon these facilities such as is being enjoyed at the present time by the Nation's privately owned utilities where $1,700,000,000 of power facilities are being written off in a 5-year period, and, of course, prior to taxes, instead of in the usual 30 to 35 years. The people and those in the Tennessee Valley who utilize TVA's electricity are paying wholly and completely the cost of its production and repayment of the funds which have made it available.

In 1957, unless the new steam-generating facilities requested by TVA are in service, it is conservatively estimated that power capacity will fail to provide that small necessary margin for reliable service and will also fall short of meeting anticipated power requirements. This Congress can do no less than to provide the necessary funds for TVA's necessary power program. It has a moral and legal obligation to do so and the funds cut from the TVA's original budget request should be restored in the bill.

My colleagues, I urge you to stop and think before you wilfully adopt the provisions of this bill which are so clearly designed to destroy the usefulness of this great agency that has contributed so much to the safety of our Nation in the past, and that means so much to the future prosperity, not only of the area in which it exists, but to the entire country.

Mr. YATES. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. MURRAY].

Mr. MURRAY. Mr. Chairman, I was disappointed over the action of the Appropriations Committee of the House with reference to the appropriation in the Independent Offices bill for the Tennessee Valley Authority. The Tennessee Valley Authority requested an appropriation of approximately $227 million. Of that amount $85 million was for new construction of 8 additional units, 2 units in beginning the building of the Fulton steam plant near Memphis, Tenn., 4 at the New Johnsonville steam plant on the Tennessee River, 1 at Gallatin, and 1 at John Sevier.

This additional appropriation of $85 million for beginning the building of these 8 new units as requested by the TVA was denied by the Bureau of the Budget which did recommend to Congress that TVA be given an appropriation of $141,800,000 for the next fiscal year starting July 1, 1954. To my surprise, however, the Committee on Appropriations has recommended an appropriation by Congress in this bill of only $103,582,000—a reduction of approximately $39 million in the amount requested by the Bureau of the Budget.

The TVA is facing a serious shortage of power in 1957 unless additional electric generating units are authorized by Congress, or unless it is relieved of part of the tremendous amount of power that it is furnishing the Atomic Energy installations at Paducah, Ky., and Oak Ridge, Tenn.

In his budget message the President on January 21, 1954, said to Congress:

> Arrangements are being made to reduce by the fall of 1957 existing power commitments of the TVA to the Atomic Energy Commission by 500,000 to 600,000 kilowatts. This would release the equivalent amount of TVA generating capacity to meet increased load requirements of other consumers in the power system and at the same time eliminate need for appropriating funds from the Treasury to finance additional generating requirements.

The President in his budget message said this further:

> In the event, however, that negotiations for furnishing these load requirements for the Atomic Energy Commission from other sources are not consummated as contemplated or new defense loads develop, the question of starting additional generating units by the Tennessee Valley Authority will be reconsidered.

Since the budget message was received by Congress the AEC, the Atomic Energy Commission, has requested TVA to furnish an additional load of 200,000 kilowatts of electricity for the atomic installation at Oak Ridge, Tenn. All of the electric power for the atomic plant at Oak Ridge is furnished by TVA.

Now let us see about who is furnishing the power of the atomic energy plant at Paducah. The TVA was called upon to furnish one-half of the power needed by this atomic plant; private power companies were called upon to furnish the other half. So the TVA and the private power companies both built steam plants right near the atomic energy plant at Paducah. The construction of the TVA plant is weeks ahead of the construction of the private power company steam plant near Paducah. Furthermore, a comparison of the two installations shows that the private powerplants are being constructed at a cost of $196 per kilowatt as against a cost of $145 per kilowatt for the TVA construction, a difference of $51 per kilowatt. Today both the TVA and the private power companies are furnishing power to the atomic plant at Paducah on a half-and-half basis.

What are the private power companies charging the AEC in comparison to the TVA charge for electric power at the Paducah atomic plant? The evidence shows in the hearings before the subcommittee that the private power companies are charging four-tenths of a mill more per kilowatt hour.

In other words, the private power companies are being paid four-tenths of a mill more than TVA is being paid per kilowatt-hour at the atomic plant in Paducah.

Mr. Chairman, unless TVA can build additional generating plants and additional units at existing steam plants—and it takes 3 years to build a steam plant—or unless the private power companies take off some of the power load from TVA to the atomic installations, there is going to be a serious power shortage in the Tennessee Valley area in 1957. So I am very much disappointed that this committee did not back up President Eisenhower's request and recommend the amount that he had suggested of $141,800,000.

There are some private power companies who would like to destroy the TVA's yardstick for power rates, because TVA is operated so efficiently and so economically, because its operating costs are held down to a lower unit basis than that of the private power companies, because the TVA rate of 4-percent earnings is smaller than that of the private power companies and because therefore TVA can sell power at lower rates than the private power companies.

TVA has as its objective the widest use of electricity at the lowest price to consumers instead of greater and greater profits to the utility. The cost of transmission and distribution per kilowatt-hour in the TVA area by TVA is only one-half the average reported by private utility companies. The proportion of energy lost in transmission and distribution is 25 percent less in TVA than reported by private companies, and only one-third as much per kilowatt-hour is spent by TVA for customer accounting and collecting as is expended by private power companies. The general and administrative expenses of TVA are only 40 percent as great as they are with the average private power company. The overhead of the private power utility is much greater than TVA. And certainly TVA does not have any high powered lobbyists like Purcell Smith who lobbies for the power companies at $75,000 per year plus an unlimited expense account. These private power companies are jealous of the yardstick of TVA for proper, fair, and reasonable power rates.

Do you not know that the minute TVA is forced to raise its power rates the private utilities will likewise raise their rates? Do you not know that the efficient, economical operations of TVA have had a most beneficial effect upon the operation of the private companies and has caused them to lower their rates? The TVA has been a blessing to the people of the United States in holding down the cost of electric energy in all of the States and in keeping the private power companies in line. We are only asking that you give TVA sufficient additional power to take care of the tremendous amount of energy needed by the Atomic Energy Commission at its atomic plants located at Oak Ridge, Tenn., and Paducah, Ky., in addition to its residential, industrial, rural, and other commercial demands for power.

Now, what are the facts? At the end of this year TVA will be generating 50 billion kilowatt-hours of electricity and out of the 50 billion kilowatt-hours, 26 billion—a little more than one-half—will be used by the Atomic Energy Commission in the operation of its plants in Oak Ridge and Paducah. Besides, the TVA furnishes other Federal installations a large amount of power. We have the wind tunnel in Tullahoma, Tenn., which is being furnished all of its power by the TVA. We have aluminum plants and chemical plants being furnished power by TVA in its area and, certainly, aluminum and chemicals are essential to our national defense. The requirements

of the Federal wind-tunnel installation at Tullahoma, Tenn., will run as high as 750,000 kilowatt-hours each year. All of us know of the great and valuable contribution TVA made to the development of the atomic bomb and to our victorious conclusion of World War II.

I ask you to consider what our Government is saving as the result of TVA furnishing more than half of its power at the end of this year to the Atomic Energy Commission compared to what it would be having to pay if it had to buy all of its electric power from the private utility companies. In line with the President's budget message, the private power companies have been called upon by AEC to see if they could deliver at least 500,000 to 600,000 kilowatts of electricity, and it develops that no sound proposal has been submitted by the private power companies to furnish this additional power. Mr. Nichols of the AEC stated before the subcommittee that it would cost the AEC between three and four million dollars a year more to receive from 500,000 to 600,000 kilowatts of electricity from private power companies than from TVA, and he said, "We have exhausted our authority, we are not willing to make that kind of a decision, and it will have to go to higher authority," meaning that the AEC is going to ask the President or the Director of the Budget whether or not the Government is willing to pay at least three to four million dollars a year more for private power than TVA power for 500,000 kilowatts as suggested by President Eisenhower when TVA is owned body and soul by the Government and is an instrumentality of the Government.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. I yield to the gentleman from Tennessee.

Mr. COOPER. I ask my distinguished colleague if it is not true that by 1955 the equivalent of all the hydroelectric power of the entire TVA system will be required by the Atomic Energy Commission alone?

Mr. MURRAY. My colleague is exactly correct. The TVA is an essential part of our national defense program and is lowering the cost of our national defense by furnishing power to the atomic energy plants at Oak Ridge and Paducah at a cheaper rate than the private power companies. Certain enemies of TVA would wreck, destroy, or liquidate TVA if they had it within their power. Since they cannot destroy TVA they are now seeking to cripple or weaken its operations by slow strangulation. They are not going to succeed in their efforts. TVA has already paid back to the Federal Treasury $57½ million of its power appropriations and is ahead of its scheduled payments by $9 million.

Mr. ANDREWS. Mr. Chairman, I yield 8 minutes to the gentleman from Alabama [Mr. JONES].

Mr. JONES of Alabama. Mr. Chairman, from the reading of the bill, the report, and the testimony, we are impressed by the fact that the issue raised by the report and the hearings is the issue of private versus public ownership of our utilities. I regret that this becomes the issue in this case, for I was hopeful that we would consider the broad aspects of the power situation that confronts this country rather than bring up the wornout cliché of private versus public power ownership. It is apparent from the estimates made by the officials of the Tennessee Valley Authority that the moneys provided in this bill will not be sufficient to construct the needed generating capacity that will be required during the fiscal years 1955 and 1956. It is estimated that in 1956 the Atomic Energy Commission will require an amount equal to one-third of the total amount of power generated in this country prior to World War II.

There is one thing about electric power that we must keep in mind. You cannot stockpile it; you cannot closet it away and have it there obtainable in time of national emergency. While we are making preparations to avert war, we must also assume our responsibility to gear our defense program to have enough energy in time of war, not only for the public utilities in this country but also for the private utilities. We have recognized our obligation in that respect. In 1950, if you recall, we provided for tax amortization for the private utilities. Since that time, it is my understanding that every private utility in the country has availed themselves of the tax amortization provided for them. It is my further understanding that the Defense Power Administration has not rejected a single applicant. Private utilities have obtained tax amortization in the amount of $2,886,000,000. That means that the taxpayers of this country are paying for the private utilities to construct new generating capacity to meet the future defense needs of this country. And I think it is a wise policy of our Government to do that; but, by the same token, we have a greater responsibility to see that public and federally owned generating facilities are expanded for the times and conditions we face.

Let us examine this so-called private versus public ownership of utilities. A private utility does not operate like an ordinary business such as a privately owned drugstore or grocery store. A utility operates on a franchise to engage in a monopoly of the generation and distribution of electric energy. But it does that under governing bodies such as public service commission boards. The board that has supervisory authority over the private utility may say, "No, you cannot do this, you cannot do that." But the board cannot say to that utility, "We need additional capacity and you must build that capacity," because that does not come within its prerogatives. It cannot tell a private utility how much capacity the utility must have.

But as far as public utilities are concerned we tell them that in planning for future needs they must take into account national defense estimates and needs as well as the needs of their domestic consumers. Since its creation, TVA has never erred in estimating these requirements.

Let us now examine the situation that presently exists with private utilities. In 1947 Mr. G. C. Neff, reporting as president of the Edison Electric Institute Bulletin, had this to say:

> It is evident that the problems of adequate generating capacity arising from rapid load expansion are well on the way to solution. The worries of operating with small reserves of generating capacity which have been ours since last August will begin to diminish in about 7 months, although another 12 months may elapse before they disappear in all parts of the country.

At the expiration of 7 months here is what Mr. Phil Sporn, the president of the American Gas & Electric Service Corp., had to say:

> I think it can be stated as a fact that barring some major disruptions in our industrial operations * * * the power situation will come into a completely normal position by 1950 in most of the country and by 1951 in the entire country.

When 1951 arrived, here is what Mr. L. V. Sutton, in the Edison Electric Institute Bulletin, had to say:

> Our committee reports that this coming December and in December 1952, we may expect to have about the same percentage of reserve capacity that we had in December 1950, which was 10 percent. It is about half of what we expected to have before Korea, but on account of the time required to build new generating capacity, the construction program could not be increased in 1950 and 1951, and not until 1953 and 1954 could we expect to gain much increased capability.

So we are faced not only with a shortage in the field of private generation and sale of electric energy but we are also faced with the same problem in connection with the public and federally owned properties.

Do you realize that the only substantial surplus power we had on hand at the beginning of World War II was from public power plants in the great Pacific Northwest on the Columbia River and on the Tennessee River. And, these plants produced 93 percent of the aluminum used during the war.

Now there is a great need for titanium, which can only be produced by electricity. At the present time a titanium plant is being located in the State of Tennessee purely for defense purposes. I wonder how they expect to get the energy to produce these defense materials if we do not have generating capacity to produce the energy they will require.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Tennessee.

Mr. EVINS. The gentleman has a very distinguished record here in fighting for the Tennessee Valley Authority. May I ask him whether or not, in his opinion, the two legislative riders or restrictions which are proposed to be written into this appropriation bill are the most damaging and far reaching that he has seen in dealing with matters of this nature?

Mr. JONES of Alabama. Certainly they will not be helpful to the TVA. It cannot continue to operate without impairment if this language prevails.

Mr. EVINS. Both with regard to the interest rate and with regard to the fixing of the local rates by governmental agency?

Mr. JONES of Alabama. Yes. If we are going to continue the manufacture of fissionable material at Oak Ridge, certainly there has to be sufficient power on hand to meet those needs. It behooves us now to think of what will be required of this great Republic in the way of resources in case of an all-out war. Certainly we would be indifferent to our obligation, our high responsibility, if we fail to provide the power potential with which to prepare for defense.

Mr. COTTON. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland [Mr. HYDE].

Mr. HYDE. Mr. Chairman, I call the attention of the committee to something that is perhaps of not as great national importance as we have just been discussing but which is certainly of importance to the great metropolitan area of the Nation's Capital. I have reference to that part of the bill dealing with the National Capital Planning Commission.

I refer particularly to the appropriation under the general heading of "Land acquisition, National Capital park, parkway, and playground system." I am gratified to see that the committee granted the appropriations asked for, but I am a bit concerned about the language in the bill which begins, "As a final appropriation under authority of the act of May 29, 1930." These appropriations and these funds are to be used to construct parks, parkways and playground systems in the greater Washington metropolitan area under the authority of the bill popularly known as the Capper-Cramton Act, and they have under that act acquired many useful and necessary parks and playground systems. I should hope the committee does not intend by the language of the bill that there will be no more of such parkway, park, and playground systems acquisitions as the result of the language of the committee in the bill designating this as a final appropriation. Would the chairman of the committee be good enough to clarify that language please?

Mr. PHILLIPS. I will be very glad to, and I am very glad that the gentleman from Maryland brought the question up because I overlooked it in my opening statement and had intended to mention it. The situation is this. The request for this year was to furnish certain connecting links in the park system. The subcommittee has recommended the allowance of the entire amount requested of about $545 million, which was something more than we have appropriated year by year in preceding years. The committee, however, realized that the Capper-Cramton Act had been passed 24 years ago when there was a very different situation. A great deal of the land had not been developed in the area and the people had not moved into the area as residents who were then paying taxes to the States of Virginia and Maryland. The financial situation of the Federal Government may have been somewhat different than it is today. The committee requested the interested people to go back, that is the Commission, to go back to the legislative committee and ask for a review of a further authorization before they came to us to ask for more money.

Mr. HYDE. I thank the gentleman from California for his explanation of that language. I simply want to have the record show at this time that we earnestly hope such language will not result in the discontinuance of the allowance of funds in the future under the Capper-Cramton Act because it has been something that has been very, very necessary and beneficial to the Nation's Capital even though much of the money did go for parks and parkways outside of the geographical boundaries of the District of Columbia and certainly with the growing population to which the gentleman from California has referred, there will be need of more of such park and parkway acquisitions. I certainly hope that Congress in the future will go forward with the fine policy started under the last Republican administration under the Capper-Cramton Act.

Mr. ANDREWS. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. PRIEST].

Mr. PRIEST. Mr. Chairman, I planned to say a few words about the legislative provisions of this bill, but apparently that is a moot question since there is no rule waiving points of order and since those legislative provisions would go out on a point of order I hope I may have the attention of the distinguished chairman of the subcommittee for a minute or two to ask a question about that. It is with reference to the action of the subcommittee in denying any funds for new construction. I go back first, I may say to the gentleman from California, to the Bureau of the Budget. It is my understanding that the Bureau of the Budget in disapproving any requests for new construction based that disapproval on the recommendation that at least 600,000 kilowatts of power being furnished or to be furnished to the Atomic Energy Commission plant at Oak Ridge might be furnished by private utilities, that is correct, is it not?

Mr. PHILLIPS. That is correct, but also it should be said that the additional power which might be needed for AEC developments amounting to about 225,000 kilowatts could be furnished by a combination of private facilities for that purpose. In other words, there was no request, as the gentleman said, for additional money to enable new starts.

Mr. PRIEST. I understand, and I appreciate the gentleman's explanation.

The next question is, Has the subcommittee received any assurance from the Bureau of the Budget or from the Atomic Energy Commission that the 600,000 kilowatts for Paducah and the 200,000 additional kilowatts for Oak Ridge, recently requested, can be supplied to the Commission as of a given date when it will be needed?

Mr. PHILLIPS. Will the gentleman correct his record to show it was 500,000 and not 600,000?

Mr. PRIEST. I shall be happy, if that is true. However, in my correspondence with the Atomic Energy Commission they referred to it as 600,000.

Mr. PHILLIPS. In the committee they referred to 500,000. The answer to the gentleman is that we have had no subsequent statement. We know that this is under almost daily conference between the Atomic Energy Commission, the Bureau of the Budget, the TVA and the private power-producing agencies.

Mr. PRIEST. I thank the gentleman.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Tennessee.

Mr. SUTTON. It is my understanding that the reason why the TVA requested four additional units at New Johnsonville was to take care of a situation which was cut out, and upon which you will offer an amendment to put it back in.

Mr. PRIEST. I appreciate the gentleman's remark.

Mr. JONAS of North Carolina. I think that was the Fulton plant instead of New Johnsonville.

Mr. SUTTON. No. That was starting a new project, but New Johnsonville was asking for four additional units which are needed at this time.

Mr. JONAS of North Carolina. That did not come to us.

Mr. PRIEST. The total request to the budget was for 8 additional units; 2 at Fulton, 4 at New Johnsonville, 1 at Gallatin, and 1 at John Sevier. Is that correct?

Mr. SUTTON. That is correct.

Mr. PRIEST. It is my understanding that $85 million was requested to begin construction of those eight units, and the distinguished gentleman from Alabama [Mr. ANDREWS] will offer an amendment to that effect tomorrow. Is that your intention?

Mr. ANDREWS. That is correct.

Mr. PRIEST. May I say again that I received on Friday, March 26, a letter from Mr. K. V. Nichols, general manager of the Atomic Energy Commission, in which he states that conferences are now underway with the Bureau of the Budget, the TVA, and the Atomic Energy Commission with reference to this power demand of AEC, and that the Bureau of the Budget is considering the matter at the present time; and that if it develops that this power cannot be supplied by private utilities—who, incidentally, perhaps, have to build steam plants on their own in order to do it—if it cannot be supplied, then they will reconsider this determination previously made, and perhaps submit to the Congress a supplemental budget authorizing the additional construction funds for the Tennessee Valley Authority.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. ANDREWS. I yield the gentleman 1 additional minute.

Mr. PRIEST. Is that the understanding of the subcommittee, that that is the situation with reference to this need of the AEC?

Mr. JONAS of North Carolina. That is correct.

Mr. PRIEST. Then I feel that since 3 years at least are required for the con-

struction of a steam plant, and since there is an area of uncertainty in this situation which I feel is too great a risk with the United States security and the economy of the Tennessee Valley, that on tomorrow, when opportunity presents itself, we should provide some funds to begin some of this construction, because it is my honest opinion that out of the negotiations currently under way this has to be done in any event. If the load is to be met, it should be met promptly. So I hope we will support the amendment to be offered by the gentleman from Alabama tomorrow in order that construction for some of this needed energy may begin at once.

Mr. ANDREWS. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. ELLIOTT].

Mr. ELLIOTT. Mr. Chairman, I appreciate this opportunity to discuss with you the independent offices appropriation bill for the fiscal year 1955, which begins July 1.

I wish the time allotted me was sufficient to discuss many aspects of the bill. I would like to discuss some of the items pertaining to the atomic energy program of our Government. I certainly would like to discuss the matters with reference to the public-housing program.

Under the limitation of time, however, I will confine myself to appropriations for the TVA for the coming year.

Out of the welter of debate today, most of it by those of us who came to Congress long since the passage of the TVA Act 21 years ago, it appears that the TVA has many characteristics or attributes.

In the first place, it is large. We are told that it is now the largest generator, and perhaps distributor, but certainly the largest generator of electric power in the whole world. Its bigness, I am sure, we will all agree is not the fault of the TVA, but is the direct result of the responsibility which the Congress gave the TVA when it passed the basic act in 1933, and is the result further of the responsibility to serve the area given TVA about 1939 or 1940, when the privately owned electric power utilities and the TVA agreed upon their respective service areas. The TVA service area has not grown geographically, because, I am informed, it has not violated the original agreement as to its service area, but I point out, Mr. Chairman, that that area of the country has grown most rapidly as the result of the abundance of cheap electricity. Another reason for the bigness of TVA is the fact that our Government has placed such responsibility on its shoulders for the generation and delivery of power for governmental uses. The vast reserves of power in the valley in 1942 caused our Government to locate its atomic energy plant at Oak Ridge, Tenn., and because TVA was big in the power generation and distribution field then, we were able, less than 3 years later, to drop atomic bombs on Hiroshima and Nagasaki and thus bring World War II to an early and successful conclusion.

Once we had entered the atomic field, we raced forward with developments that today are taking 35 percent of the present output of TVA power facilities, and we are told that next year 50 percent of all the power produced by the TVA will go into our atomic and hydrogen programs. Of course, the TVA is large.

In the second place, I think this debate has developed the fact that the TVA has been successful. It has been successful in extending its power lines to the farm homes of the valley, successful in furnishing required power for the economic and industrial growth of the valley, and successful in encouraging the rapid development of the resources of the Tennessee Valley. Then, too, I think it has been successful in another field. It has been successful in stimulating the privately owned power companies to go out and likewise extend their lines and their services to practically every home and every business in the entire South. Also, I think the TVA has been successful because the privately owned power companies in extending themselves to do a good job thereby stimulated and inspired the TVA to do the best possible job of serving those dependent upon it for power. Likewise, we are told, and I have heard it from both the private power people and from the TVA people that TVA and the privately owned utility people of the area are living side by side, exchanging power and engineering know-how with each other, from time to time, in order for both to effectively serve the customers they have. Just recently, in the hearings before the subcommittee, which brings this bill before the House, it was pointed out that TVA has successfully constructed power generating units in the TVA area to supply power for our atomic or hydrogen needs at Paducah, Ky., for a cost of $145 per kilowatt of capacity, as TVA had estimated it could do some 2 years before. As a matter of fact, I understand that TVA not only constructed these plants for the amount it has estimated it could construct them for, but, actually, it constructed them for $7 million less than it had estimated that it could do the job for. The TVA has been successful.

In the third place, I think it has been amply demonstrated that as large, and as successful as the TVA is, and has been, it is not now large enough to furnish its customers with the power they must have if the Tennessee Valley is to continue to grow and if the TVA is to continue to supply our atomic and hydrogen people with the power they need. All the records before us indicate that the power shortage in the Tennessee Valley will become acute by 1957. The TVA asked for $83 million with which to go forward with constructing additional power generating facilities at New Johnsonville, at Fulton, at John Sevier, and at perhaps other points, that will be needed to meet this power shortage. I think it was unfortunate when the Bureau of the Budget, acting for the President, cut out that $83 million, and I want to say to the Members of the House that on tomorrow, I will support the amendment to be offered by the gentleman from Alabama [Mr. ANDREWS] for the restoration of this $83 million for this purpose. This is not a new problem. It was one that was called forcibly to our attention last year and now another year has passed, and the problem is further from solution than it was then. The sword of Damocles hangs more heavily over the head of the Tennessee Valley.

I believe, however, there is yet time for us to rectify the mistake we made last year when we failed to provide the necessary funds for building the additional generating units that are needed to furnish power to TVA customers in the valley. We can do that by adopting the Andrews amendment and giving the green light to TVA to go ahead with building the facilities it needs to supply its customers—farm, residential, business, commercial, industrial, and governmental.

Now, I want to turn to another serious aspect of this appropriation bill, and that is the fact that the bill before us cuts the President's recommendation of $142 million for TVA for the next fiscal year down to $103 million. And, what does that do? It does something that I hope that no thinking Member of this body would want to do. It virtually eliminates the working capital of TVA. I understand that TVA needs approximately $40 million of working capital to carry on the power business which it operates. TVA will sell over $200 million worth of power next year. It will sell another $20 million worth of fertilizers and chemicals next year. If we allow this figure of $103 million to stand, we deprive TVA of working capital to the extent that by the end of fiscal 1955, TVA will have only $3 million of working capital and I ask you, my friends, how can the largest power business on the face of the earth be operated with only $3 million of working capital.

I have the privilege of representing an area that produces a lot of coal. The State of Alabama produces about 12 million tons of coal annually. About 5 million tons of that coal is produced in counties I represent, the counties of Walker, Marion, Winston, Cullman, Blount, and to a smaller extent the county of Fayette. Everybody knows about the depressed condition of the coal industry. Everybody knows that the only hope that the coal industry has to come back is through the steam generation of electric power. Now, the TVA has reached the point that it uses millions of tons of coal each year. In using coal, TVA, like any well-regulated power generating utility, must stock sufficient coal to do it for 60, 90, or 120 days ahead. It is advantageous to TVA to purchase the coal as it does from the lowest bidder, and it is advantageous for TVA to fill its stockpile with coal in the summer months when the price of coal is lower than it is in the winter and when there is greater need for the stimulation of work at the coal mines than at any other season of the year. Without working capital, TVA cannot buy coal for its stockpile. Without working capital, TVA cannot take advantage of the bargains that it may be able to get by buying coal during the hot summer season, and the same line of reason and logic would apply to the millions of dollars of other purchases it must make in other fields throughout the year.

I have been amused, I might say, and amazed likewise, at some of the expressions of love for TVA that have been made here this afternoon. Let us not be lulled into a false security by those protestations of love and affection, until we have determined who has stripped TVA of its operating capital and thus tied a millstone around its neck.

There is another point in the bill that is worthy of our most serious attention. That is the proviso which the committee wrote in, charging TVA interest on the money which the people of the United States have invested in the power-producing facilities of the Tennessee Valley. About $1 billion is involved. It is an important amount. The arguments made are worthy of most serious and discriminating attention and consideration. We have been assured this afternoon by members of the subcommittee that heard the witnesses that TVA representatives have said that the charging of interest on the moneys invested in the power-producing facilities of the Tennessee Valley will not have the effect of raising rates on TVA power. When we look into the situation a little further, what do we find? We find, Mr. Chairman, that the United States of America and its people own the TVA bag and baggage. The Government of the United States is entitled to all the return which the TVA earns on its power sales and, that being true, I can see no justice or equity in reason or logic that would say to TVA instead of paying back into the Treasury next year, as I understand it plans to do, the sum of $50 million as a dividend or a return to the United States Government, that it pay $25 million of interest plus $25 million dividend. If we saddle the TVA with interest as this committee would have us do, all in the world we do is denominate a part of the repayments to the Treasury which TVA regularly makes as interest, and, so far as I can see, it has no other effect. At least members of the subcommittee assure us that they have been assured that there will be no raise in rates.

The Government of the United States is entitled to all the profit which TVA makes in its power operation. So far as I am concerned, I see no reason to denominate a part of that profit as interest. It would certainly be different if the TVA belonged to some other entity, that is, if it were not a creature, a child, in effect, of this Government of ours. When we created TVA, we set up a Government corporation, and if we are not going to give that Government corporation the wherewithal to adequately carry on the operations that have been assigned to it, if we are going to cripple its ability to do a good job, then I say, in fairness to the people of the Tennessee Valley and in fairness to the people of the United States, the TVA should be sold—sold now when it will bring the largest amount of money that it will perhaps bring at any other time. If we allow the TVA to be shackled with the restrictive provisos which the committee has written into this bill, it will not be long until its value will have diminished to the point that the people of the United States will be left holding the bag.

The next aspect of this bill which I object to is that part of it which attempts to take away from TVA the right to regulate the resale of the power TVA distributes and generates. TVA's justification, in my mind at least, is largely based upon its value as a yardstick for power sales throughout America. It sells its power, not to individuals primarily, but instead to the rural electric coops scattered throughout its service area and to the municipalities in the area. The TVA agrees to supply power to these distributors at a certain price, and between TVA and the distributor it is agreed that the distributor will sell the power for a certain price. Now, if we adopt this committee's proviso that TVA's control over the resale rates of electric power is abolished, then we will find almost every municipality in the TVA service area responding to the pressures upon it, and computing an ever larger and larger sale rate on its power, so that money through that source can be had for the building of streets, sewers, parks, playgrounds, public buildings, and other things the city needs. The end result will be that power sold through these municipalities, power sold through these co-ops will soon be selling at a much higher rate than it is today, and when that day comes, I submit to the House of Representatives that the value of the TVA as a yardstick will have been completely destroyed and no longer will there be a yardstick by which we measure the reasonable value of a kilowatt of electric power.

I certainly can see no need for this proviso which the Subcommittee on Independent Offices has written into the bill. Its only result will be to fasten another millstone around the neck of TVA.

It is admitted here that this Committee on Appropriations has no power or authority to legislate in this field. When it attempts to do so, it goes completely around the established committee of the House that has legislative jurisdiction over the subject matter. I am reminded of the old Latin phrase res ipsa loquitur. The thing speaks for itself. The attempt of the majority of this committee to legislate a noose around the neck of TVA speaks for itself. The destruction of TVA is in the restrictions upon its ability to operate that are contained in this bill.

Finally, Mr. Chairman, I want to call the attention of the House to the fact that this bill carries no appropriation for resource development, and limits corporate funds of the TVA which can be used for this purpose to $600,000. Last year, we had a fight here in the House about this matter. We unduly crippled the resource development program of the TVA last year. The result is that next year, the small farmers and landowners in the TVA watershed area will not have the pine seedlings to plant on their eroded hills to prevent the type of erosion that damages the river and fills up and destroys the effectiveness of its dams across the river.

Already the Congress has crippled the resource development program. We not only cripple it in this bill, but we kill it for all practical purposes. The TVA has tied together the efforts in the Valley in the fields of prevention of soil erosion, the conservation of soil, water, and woodland. It has cooperated with the States and counties and local subdivisions in these fields. It has paid a part of the salaries of Assistant County Agents who have carried on this resource development work. I plead with the Congress that we do not destroy this work, but instead we give the local units of government—the States, the counties, the municipalities, the soil conservation districts and other local units—time to adjust in such a manner that they can continue the work which TVA has been doing. The TVA itself has been making real progress in this field. At first, the Resource Development moneys expended in the Valley were 76 percent Federal funds and 24 percent local funds. This Federal expenditure has gradually been reduced until now only 34 percent of the resource development funds are Federal funds and 66 percent are local funds. The amount spent by the localities are constantly growing, the amount spent by the Federal Government is constantly being diminished. Let us not break off that program in such a way as to result in great waste and interrupt the normal resource development of that great valley. We have done the resource development program great injury. Let us not kill it as proposed in this bill.

Someone suggested, inadvertently, I hope, in the course of the debate that this government of ours was a bankrupt government. This government of ours is not bankrupt. It is great and strong, even in the face of the large national debt. It has assets throughout the Nation like the TVA which give it financial power and strength and keep it away from bankruptcy.

If you go forward to enact the restrictive provisions of this bill, this Nation of ours will be another great step toward bankruptcy because if you enact this bill, you will enact a law that will hamstring the TVA and cause it to lose its value to the American people. This valuable asset will waste away. Let us keep the TVA virile, and vibrant, and strong. It belongs to the American people and we owe the American people the trust to see that it is not negligently or carelessly or recklessly or wantonly destroyed.

Mr. ANDREWS. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, this power issue between the conflicting interests of TVA and the private-power companies dates back to the inception of TVA. I daresay if you study the two lines of arguments down through the years you will find it difficult to reconcile the different viewpoints or the different presentations of what the facts are. I, too, believe the TVA should be a sound investment for the Government. I believe it should have no unfair protection. Many issues in the problem have been settled through the years. Whether we should have provided the

TVA is beside the point. It is an established fact. The TVA is the utility of its area today. It is the only utility of that region which manufactures and distributes power. It may buy power from others, but the people of the area can look only to the TVA for power.

It has been pointed out today with the ever-increasing commitments of the Federal Government to meet its atomic-energy requirements that the TVA does get power from other companies; but, be that as it may, the public in the Tennessee Valley can look only to TVA because it is the utility of that area. You either get your power there or you do not get it. This bill does not permit the TVA to enlarge its capacity to meet Government needs plus the needs of the area in the years ahead even until 1958.

In this age-old fight, or long-time fight, between the private companies and TVA, there are 2 or 3 things that you can easily see that the private companies as competitors would like to remove from their business. One is the yardstick value of having the TVA generate power so that you can see what it costs. One way to get rid of the yardstick would be to sell the TVA. Now, with the Atomic Energy Commission's need and with the necessity for meeting the many problems that we have in this country—with all those things—in view of the fact that the Nation begins to realize—many folks do—the value of the yardstick provisions of the Tennessee Valley Authority, it is not politically expedient at the moment for the administration to sell the TVA. The President in a speech down in Tennessee clearly told the people that he would not be a party to the sale or dismemberment of the TVA.

But there are lots of ways you can skin a cat. You will note this committee does not simply require the TVA to reflect interest returns in its rates. The TVA does that. The committee goes further than that. The Tennessee Valley is a Government corporation. We set it up as a corporation so that as a corporation it could meet its problems as any other utility or business would need to do. There are several things that are required in order for it to keep the present elasticity and ability to meet the business problems that it faces. One is a sufficient operating capital on hand to take advantage of buying coal and many other things at a time when they can be had at reasonable prices. They need to have money on hand with which to meet problems that arise. And if, because of politics or because of commitments of the President or for any reason you cannot afford to sell the TVA or to offer it for sale, the way to strangle the TVA is to draw strings around its growth to meet all needs of the region and to see to it that in one way or the other the retail rates paid by the people in the area, notwithstanding the economical operations of TVA, get up on a level of private companies with higher rates. Then you have nothing to compare with the private power rates. I may say that in spite of the good intentions and the honorable character of the men of this subcommittee, the provisions in this bill do just that. They lead toward getting rid of the TVA.

Now, what would the committee action do? They say to the TVA that to meet your needs in the valley, take your money out of the cash till and substantially meet your capital investment. Then the committee would hold $38 million that the budget said the TVA needs to operate. The committee would withhold that.

Then they say, not only that, but from from here on in addition to returning the money that you have been returning to the Treasury, notwithstanding that you have to take this money out of your till to meet these ever-increasing needs to the extent of $38 million, you are going to have to return annually another $20 million out of your operating capital.

Then in case that does not push you into the position of having to raise your rates so as to remove the yardstick benefits, we are going to take the bridle off and let the retailer, the cities, charge whatever they may desire at the retail level. If what we have done does not result in increasing the rates so that you will not be showing a lower figure in comparison with the private companies rates, we are going to take the bridle off of the distributors and let them finance anything under the sun out of power distribution profits. In doing that the committee, in my opinion, has done something it did not even intend to do.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. ANDREWS. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. WHITTEN. Mr. Chairman, did you know that with all the feeling in the country about the movement of industry to the South, by far the greater part of it is to regions other than the TVA area? Under this bill, as written, when you take the bridle off of the municipalities and other distributors and let them finance their cities, there is nothing left to keep such cities from giving industrial electricity for nothing, and really moving industry south and getting their money out of the domestic consumers. When you remove the TVA's right to control retail rates, not only do you open it wide, but you make possible to really move industry south. I don't believe the TVA has been any major factor in the movement of industry. I know that in my area the private companies are doing a better job of moving industries into the area than TVA. But, I say, when you prohibit the TVA from controlling rates by the distributor, you invite the municipalities to reduce industrial rates down to the floor, if they see fit, and thereby the cities can really move northern industries into the TVA region. Now, that was not intended, but that bridle is taken off by the committee, just in case, pulling the cash out of the operating capital of this corporation and making it spend money out of its operating capital to meet the ever-growing demands on the part of the Government, rates are not raised, the cities are invited to raise them. The cities did not ask for that. The record stands silent as to anybody wanting that provision, but the committee just voluntarily pushed that out, they say to keep TVA from meddling. If we followed the committee, any city would have the right to finance any program under the sun in such municipality out of their profits. Apparently, some one believes few cities could withstand that temptation and the retail rates would then go up.

I would like to present in detail just what the provisions in this bill provide as well as the effect. Let us see what the records show.

1. REDUCTION IN TVA CASH RESERVES

The bill as reported by the committee would reduce the appropriation for TVA by $38,218,000. Of this reduction $600,000 represents a cut in the resource development program, the remaining $37,618,000 is expected to be made up by the use of corporate funds.

The corporate fund balance from which this amount is to be made up will, on the basis of the revenue and expenditure estimates in the 1955 budget, total $46,817,712, of which $39,920,712 represents power proceeds, $5,897,000 represents proceeds from other programs, and $1 million represents the emergency fund provided by section 26 of the TVA act. Of the total corporate funds to be used in lieu of appropriations $37 million would come out of power proceeds, thus reducing the year-end balance of power funds to only $3 million.

The TVA 1955 budget estimate contemplates that the entire power proceeds balance of approximately $40 million would be reserved for possible contingencies which may arise in connection with the TVA power program. This amount is not large for the world's largest power system, an operation with a capital investment of over a billion dollars, whose gross revenues for the 2 fiscal years 1954 and 1955 are expected to be about $335 million and whose corporate-financed direct expenditures are estimated to be upward of $260 million. Moreover, there is no assurance that the estimated balance of $40 million will actually be at hand on June 30, 1955, because of variables in both revenues and expenses that greatly affect the cash balance. Some of the same contingencies that must be considered in judging whether a given balance at the end of the year would be adequate might sharply reduce that balance before the year was over.

Without adequate working capital, no business could long operate profitably. Normal business operations require fast adjustments to frequent changes in operating conditions, cash must be in hand to meet contingencies and to grasp opportunities. The world's largest automobile manufacturer maintains liquid assets ranging up to $312 million, or 8 percent of its total assets. The world's largest steel company has had liquid assets of $322 million or 11 percent of total assets, and the world's largest chemical company has had liquid assets of $266 million or 15 percent of total assets. In the electric utility field, the Detroit Edison Co. has found it desirable to have liquid assets of about 9 percent

of its total assets, the Arkansas Power & Light Co.'s liquid assets have exceeded 8 percent of total assets, and up to 10 percent of the assets of the Cleveland Electric Iluminating Co. have been in liquid form.

By contrast, the action of the House committee could limit the working cash of the TVA power program to only $3 million, much less than one-half of 1 percent of total power assets. This amount is far below what is needed to assure continued efficient and economical operation. In addition to the cash resources needed to meet payrolls and other expenses prior to receipt of payments for outstanding bills for power service, increases in the cost of labor, materials, and equipment which might occur in this 2-year period would have to be met from the reserve fund; an increase of only 5 percent in such costs could increase the corporate fund requirements in the 2 years by over $10 million. A still larger factor than either of the foregoing is the necessity for having an adequate balance to meet the added corporate fund requirements which would result from increased expenses and decreased revenues if adverse weather conditions occur during the 2-year period. In the preparation of budget estimates of expense and income for the Tennessee Valley Authority's power operations, average streamflows are assumed. In the 20 years of TVA's power operations there have been 12 years when the rainfall was less than average. The consecutive 2-year period of subnormal rainfall which occured in fiscal years 1940 and 1941 resulted in deficiencies of 13 inches and 14 inches, respectively, or a total of 27 inches. If the conditions which obtained in 1940 and 1941 should recur in the 2-year period of fiscal years 1954 and 1955, the corporate fund requirements for the latter 2 years would exceed the budget estimates by at least $25 million.

The expansion of TVA steam power generating capacity to take care of the greatly increased power demands of the atomic energy program, and other loads, creates large new needs for corporate funds to buy coal. Coal stockpiles will inevitably vary, and rebuilding coal storage when stockpiles have been reduced may require many millions of dollars. Average coal stockpiles for the power industry as a whole have varied from nearly 60 days' supply to about 150 days' supply in recent years.

Obviously the stockpiles of individual systems have varied more widely. It may be desirable to add rapidly to a coal stockpile because it has been reduced by strikes or other emergency curtailment of coal production or transportation service. Or it may be desirable to add rapidly to the stockpile to take advantage of especially favorable market conditions. Under such circumstances, the availability of cash to increase coal purchases not only saves money for the Government, as the owner of the TVA power system, but helps provide employment during periods when coal production for other markets has slackened. By next year TVA will be burning so much coal that an increase of 60 days' supply, for example, in TVA's coal stockpiles would require a cash outlay of $12 to $15 million.

2. INTEREST

The bill requires TVA each year to pay interest upon the investment in the TVA power system derived from appropriations, including construction in progress, or from transfers of property by other agencies. The interest rate is to be the Government's average interest cost on the public debt. The interest requirement is to be superimposed upon the existing requirements under the Government Corporations Appropriation Act, 1948, for the amortization of the appropriation financed investment in power facilities. This requirement is wrong in principle, subversive of good management and sound business, and deprives consumers in the Tennessee Valley area of the assurance of adequate electric service.

Even though referred to as a requirement for payment of interest, actually the payments would be in the nature of dividends. TVA is wholly owned by the Federal Government, all of its earnings belong to the United States, and any payments—other than for the return of capital, for which provision is already made in the 1948 act—are really dividends, whatever they may be called. Charging interest might be appropriate if the owner of TVA was content with the role of creditor and exercised none of the prerogatives of ownership. But TVA is under continuous congressional supervision, and congressional control is frequently exercised in ways having substantial effect upon costs.

In any well-managed organization, dividends are paid when earnings are available in excess of those required for the successful and profitable operation of the enterprise including such working capital and contingency reserves as prudent operation of the particular business requires. The effect of the bill, therefore, is not merely to attempt to legislate a level of profits but also to require those profits to be paid each year irrespective of fluctuations in business conditions, earnings, or of the requirements for the operation of the business.

TVA, like any electric utility company, has a public service obligation which should transcend every other consideration. The continuous availability of an adequate supply of power is essential in our modern economy. Five million people in the TVA area are wholly dependent upon TVA as the source of their power supply. This public service obligation requires large outlays for transmission and substation facilities quite aside from the requirements for generating units which are financed entirely from appropriations. Such outlays should be a first charge upon net revenues.

Paradoxically, the proposal for imposition of a minimum dividend requirement comes at a time when no funds are provided for new starts on electric generating capacity. As a result, TVA would be required in future years to make greater use of its higher cost steam plants than would otherwise be the case with a resultant adverse effect on profits.

It may be noted that the so-called interest requirement stipulates a formula for determining the applicable rate of interest which goes beyond the announced purpose "to repay the taxpayers of the country the amount the taxpayers must pay in interest on the money to finance the TVA power program." The standard is to be the interest cost on the public debt which includes nonmarketable issues, the interest rates on which are entirely arbitrary. For example, the public debt includes the bonds held in the Civil Service Retirement Fund, where interest payments are only a bookkeeping transaction and the specified interest rate—about 4 percent—is dictated by the Government's employee retirement policy rather than by the cost of borrowing money on the open market. The cost of money on the marketable securities of the Treasury, which represents the true cost of borrowed money, is substantially lower than the rate that would be arrived at under the committee's recommendation.

3. RESALE RATES

The power supply contract under which TVA sells and locally owned distribution systems buy electric power includes an agreement by the distributor as to the rates which the distributor will charge in reselling the power to the ultimate consumer. This provision is included in the TVA contract in order to carry out the stated objective of the TVA Act that the benefits of the Federal investment in TVA's power system shall be spread as widely as possible in the area in which TVA operates. Section 11 directs that TVA projects "be considered primarily as for the benefit of the people of the section as a whole and particularly the domestic and rural consumers to whom the power can economically be made available," and that sales to industry be a secondary purpose. Section 10 of the act specifically provides for the inclusion of resale rate schedules in power contracts. The effect of the proposal of the Appropriations Committee is both to amend the act and to defeat its purpose.

The committee report, in the single sentence devoted to this matter, says merely that the committee "does not believe it is good policy for the TVA to interfere in the business of municipalities and local units of government." This assumes that the Federal Government has no interest in the level of rates charged the ultimate consumer for power produced at Government projects. It implies also that the people of the area regard resale rate agreements as interference. Neither of these implications is sound.

The broad purpose of the TVA power program is to promote the prosperity of the Tennessee Valley region. Without such a contract provision the benefits of the Federal investment in the TVA dams and steam plants might never reach the people or help to build a stronger and more prosperous economy.

Without such agreements each local community would be subjected to great pressures both to divert the benefits of

the TVA power program to some limited group or interests and to compete with every other community in the region and elsewhere for industrial customers by making discriminatory rate concessions either to industries as a class or to specific industrial customers. Such concessions would be at the expense of small consumers, householders, farmers, and small-business men. If even a few of the 148 distributors should be forced to yield to such pressures, the others would be under almost irresistible compulsion to do the same.

Every State in which TVA sells large amounts of power has adopted legislation specifically authorizing municipalities, cooperatives, or both, to enter into contracts containing resale rate schedules. The establishment of the prevailing rates to consumers by an agreement with TVA is a part of the public policy of the valley States. The distributors and consumers of TVA power far from regarding such rate schedules as an interference consider it a necessary and stabilizing feature of the power supply arrangements of the Tennessee Valley area.

The power consumers of the whole country have a stake in the committee's proposal. The resale rate schedules have established a national pattern for increased consumption, higher load factors, and lower unit costs of generation and distribution. It is the universal opinion that the force of the example in the Tennessee Valley area has stimulated the utilities to increase their load-building activities and to reduce their unit costs, with the result that electric rates in the Nation have not followed the inflationary spiral to nearly the same extent as other commodity prices, while at the same time electric company profits have been maintained and increased. The destruction of the TVA example would invite the electric utilities to abandon the progressive principles of operation which they are now beginning to put into practice.

Adoption of this proposal would deal a great blow to the small consumer of the Tennessee Valley area. He has been encouraged to increase his use of electricity to twice the national average because of his faith in the stability of the electric rate structure in the area. If Congress should set aside the resale rate provisions, there would be an immediate impact upon his willingness to purchase new appliances as well as his willingness or ability to continue to use those which he has already purchased.

In the face of the general satisfaction in the area with the prevailing method of establishing resale rates and the regional and national interest in preserving such rates, it is difficult to see any valid reason for the committee's prohibition with respect to resale rate schedles, and the committee report suggests none.

4. RESOURCE DEVELOPMENT

The committee would deny any appropriated funds for resource development and place a ceiling of $600,000 on corporate funds used for resource development. Last year the committee recommended complete elimination of this program. At that time TVA said:

> While this reduction in money represents only about 1 percent of the total amount approved, the action of the House, if sustained by the Senate, would destroy TVA's effectiveness as a regional development agency. * * * The activities eliminated by the action of the House establish an essential link between river-control operations and the institutions and people of the Tennessee Valley—between engineering works and the people for whose use such works are built. * * * The methods by which these activities are carried on encourage State and local institutions to accept increasing responsibility for comprehensive work in regional development. * * * We are convinced that this furtherance of State and local activity in the resource development field is the key to lasting accomplishment in regional development.

Our conviction as to the worth of this program and its contribution to the effective development of the Tennessee Valley's resources has not changed.

This is not a new program, its methods have been thoroughly tested, and they have been productive in the past. Nor is it an expanding activity, it is the remainder of a program which required about $4 million of funds as late as 1947. Expenditure in the program since 1947 consistently have declined as State and local agencies have gained strength. But the timing of Federal assistance is critical, and a ceiling of $600,000 will for all practical purposes cause the disappearance of this program as an effective instrument in the region. It will force the premature abandonment of partly completed experiments which are important not only to the region but for the Nation.

The repudiation by the House committee of TVA's resource-development program contradicts national policies which are receiving increasing endorsement and acceptance. It will set backward the development of adequate State and local resource programs in the region, it will terminate a small watershed program of great promise, and it will destroy the only Federal forestry program which emphasizes the potentialities of private ownership, rather than Federal ownership, of forest land. As examples of TVA resource development, we believe that both the watershed program and forestry activities are worthy of the committee's reconsideration.

It is not the time to abandon the only well-established experiments and demonstrations in tributary-watershed development in a region where farm income, erosion control, and rural population are still serious problems, during a year when a State has first indicated that it will start such a program. Only 2 months ago the governor of one of the valley States wrote TVA:

> We are now prepared to assume a leading part in the rendering of technical and professional advice and assistance to local groups in such localized (watershed programs). * * * We will necessarily need to continue to look to TVA for substantial assistance in making such a program a success.

So far as is known, this is the first time in the Nation that a State government has undertaken to set up its own watershed program; its initiative should be encouraged.

It makes no sense to abandon the TVA forestry program at this time. In a region in which 82 percent of the forest lands are privately owned, where useful forest growth could be trebled, at a time when large-scale wood-using industry is experimenting with plant location in the valley, activities directed toward reforestation, forest protection, and better forest management are of critical importance. As a Federal program directed exclusively toward assisting improvement of privately owned lands, which does not depend on Federal ownership, TVA's record is well known. To capitalize on past efforts this program must be allowed to run its course rather than being brought now to an untimely end.

Mr. METCALF. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. METCALF. Mr. Chairman, the natural gas industry is one of this Nation's major industries affecting the daily lives of millions of our citizens. In 1952 there were about 21½ million domestic and commercial customers of companies distributing straight natural gas or mixed gas, of which natural gas is a component. Including the members of households, this means that upwards of 60 million people will be affected by any material change in the prices charged for natural gas.

The Natural Gas Act was passed in 1938. Its primary purpose was rate regulation. In the Hope Natural Gas Co. case—320th United States Code, section 591—the Supreme Court of the United States said the "primary aim of this legislation was to protect consumers against exploitation at the hands of natural gas companies."

The act was intended to regulate the sales which were outside the jurisdiction of the States. It did not change State responsibility for regulating intrastate transactions and consumer sales in interstate commerce where such sales were considered local in character.

The Commission said in 1949:

> No one recognized better that the act was passed to fill the regulatory gap which could not be occupied by local commissions than the local authorities themselves, State and municipal.

It recalls that practically all of the early natural gas rate cases instituted by the Commission were upon the complaint of State or city authorities—among them Cleveland and Akron, Ohio; the Pennsylvania Public Utility Commission; the Illinois Commerce Commission; city and county of Denver; Public Service Commission of Wyoming; Public Service Commission of Missouri and the Public Service Commission of Louisiana.

> In harmony with the purposes of the act the Commission concentrated for several years on natural gas rate cases. As a result of its investigations the Commission obtained annual reductions of more than $37 million.

In addition, voluntary reductions have amounted to about $4 million annually. On an accumulated basis, these reductions would actually save consumers about $1 billion. In some cases rates were reduced from one-third to one-half of their former level.

The best definition of the present natural gas rate base was read into a Senate committee hearing record in 1948 by Mr. Leland Olds, a member and former Chairman of the Federal Power Commission. He said:

The Federal Power Commission in determining just and reasonable rates for the sale of natural gas in interstate commerce, employs what is known as the prudent investment (net investment) rate base. Its aim is to allow a reasonable return on the investment in the enterprise to the extent such investment is used in connection with interstate transactions. The return is allowed, among other things, on acreage currently used as well as that held for future development. In addition to the fair return, all operating expenses and the cost of exploration and development (cost of abandoned leases, dry holes, et cetera) are allowed as charges to rate payers. In this manner, the risks of the business are minimized and natural-gas companies reasonably assured of fair profits on their investment. This method of rate regulation has worked well in practice for, whereas annual rate reductions of approximately $39 million have been ordered or approved by the Commission since 1938, the companies making the reductions have prospered and are in sound financial condition.

In other words, rates have been based upon the cost of rendering service to the public—the cost including taxes and a fair return on the prudent investment of the pipeline company in its facilities. These ratemaking practices have been upheld by the Supreme Court in all cases reaching that tribunal.

The FPC has consistently allowed interstate pipeline companies all their costs of operation. Such costs have included all exploration and development expenses, cost of holding nonproductive acreage as well as a fair return on the investment in acreage held for the future. This latter is justified on the grounds that such acreage would in the future furnish gas to consumers. The Commission has encouraged the exploration for gas and the acquisition and development of gas reserves by allowing all costs of exploration, including dry holes, as an operating expense.

Through their rates, the consumers have paid the costs, development expense, the cost of carrying acreage for future development, the taxes, the profit.

The position of the interstate pipeline companies is enhanced further by their assured market over the life of their gas reserves. They occupy a monopoly position in that market by reason of a Federal franchise. Regulation of utility monopolies is necessary in the public interest. In return for monopoly privileges, utilities are—or have been up to this administration—required to forego speculative profits.

With billions at stake, the pipeline companies want to get rid of the cost rate base. They want to end regulation. One of the ways in which they propose to do away with regulation is to base their rates upon what they euphemistically call the fair field price of natural gas.

I would define the "fair field price" as the highest monopoly price the traffic will bear.

Spokesmen for the pipeline companies agree with the substance of that definition.

During the Federal Power Commission's natural gas investigation of 1944–46, several attempts were made to nail down what these people considered a fair field price or the intrinsic value of the gas.

One witness, who advocated a change from the cost rate base, said he could not testify as to whether any given price for gas was too low or too high. However, he did say that "if I had gas I would want all I could get for it."

Another witness was R. C. Kay, president of the Panhandle Producers & Royalty Owners Association, vice president of Texas Midcontinent Oil & Gas Association, and a director of the Independent Petroleum Association.

Asked what he would consider an adequate price for gas, he replied:

I am just like any other land or royalty owner. Every increase in the price I receive would be considered an adequate price as of that date. But we would still be looking for a higher price. As far as the closest we can say to a fair price we might say is the highest price currently being paid in the field for gas of like quality.

Another witness was Mr. E. L. DeGolyer, geologist and petroleum engineer. When asked if he had any opinion on what would be an adequate field price for gas in Texas, he replied:

When you say how much, I don't really know. I suppose if I were getting 2 cents I would look upon 4 cents as something highly to be desired, and, I suspect, human nature being what it is, if I were getting 4 cents I would be looking for 8 cents or even 10 cents.

Asked if he would go beyond 10 cents, and remember this was almost 10 years ago, he replied:

Well, there are still the Appalachian fields which hang up the goal of 20, 22, and 33 for us.

During his testimony, Mr. DeGolyer used the phrase "the wellhead price which it merits." He was asked to explain those words. He did it this way:

I thought I had gone out of my way to try to define some of these terms which I thought were pretty vague, and you seem to have put your finger on one which is vaguer still, and which I find hard to define.

So we come down to the nut of this question: Is it possible to base regulation of interstate wholesale rates, affecting the cost of gas to millions of homes, places of business and manufacturing plants on any such fair field price theory and have regulation mean anything?

As was noted in the Olds-Draper report on this investigation, here we have perhaps the leading petroleum engineer of the country placing the full weight of his reputation back of the industry's fair-field price formula and "then admitting that what they are urging is simply the vague yet vigorous appetite of the typical oilman for higher prices and profits."

In other words, the fair field price is the highest monopoly price the traffic will bear.

Now we know the fair field price for what it is. What would it do?

Less than 10 years ago pipeline companies were paying from 4 to 5 cents per 1,000 cubic feet of gas.

Barron's magazine had this to say in an article on the United Gas Corp. last October:

The average price which United Gas pays for purchased gas has risen sharply in the last few years, moving from 4.51 cents per thousand cubic feet in 1949 to 7.92 cents last year, a gain of 76 percent.

United, I believe, controls the largest gas reserves of any company. So it is in a favorable position to make purchases. For this reason, its latest average is apparently somewhat below the present industrywide level. Big pipelines like Tennessee Gas Transmission and Transcontinental are paying on the average about 9 cents, while Michigan-Wisconsin is paying more.

Mr. DeGolyer was not so far off almost 10 years ago when he spoke of gas prices of 20 cents and more.

During the recent hearings before the Independent Offices Subcommittee of the House Committee on Appropriations, we had this exchange between the gentleman from Illinois [Mr. YATES] and Mr. Charles W. Smith, chief of the FPC Bureau of Accounts, Finance, and Rates:

Mr. YATES. Has the cost of natural gas gone up in the field? In this area where the Phillips decision says you are supposed to take control, as I remember the debates on the Kerr bill, the cost of natural gas at that time I think varied between 5 and 7 cents. Is my memory correct on that?

Mr. SMITH. That is correct.

Mr. YATES. They had long-term contracts at that time?

Mr. SMITH. Yes; and a great many contracts were recently renegotiated at higher prices.

Mr. YATES. What are the prices they are getting now?

Mr. SMITH. The prices go up as high as 16 to 20 cents. The average is much lower than that, of course; but the Gulf Interstate Co., which has a certificate to transport gas for the United Fuel Gas Co., the gas is purchased under a contract that sets up a price of 16 to 24 cents, the average being pretty close to 20 cents. That is the highest price we know of in that particular area, but there have been steady increases in the price of natural gas.

So, where we had 4- to 5-cent gas less than 10 years ago, and 8-cent gas in 1952, we are talking today about 24-cent gas. We are talking about an increase of 19 cents per thousand cubic feet, an increase which the consumer will pay.

The question then becomes, how much more will the consumer pay because of this increase over the life of our gas fields? It was estimated during the the FPC investigation that a 5-cent increase would mean a total of $5 billion, a 10-cent increase $10 billion—or $1 billion out of consumers' pocketbooks for every penny the price rose. I think the figure was on the conservative side then. It is more so now because of the great expansion in the industry in the past few years. In 1945, sales of natural and mixed gas by gas utilities was about 2⅓ trillion cubic feet. In 1952 it was 5 tril-

lion, or more than double the 1945 figure.

A 19-cent increase, then, would total $19 billion—or $760 million a year, figuring the life of a gas field at 25 years.

If natural gas consumers are going to be shaken down for another $760 million a year, who is going to get the money? The giants of the natural gas fields.

The FPC named some of these giants during its investigation. Two gas fields were used as examples because their figures were readily available. They were Texas Panhandle and Hugoton. Part of the report was a table showing the natural gas acreage in these fields owned in fee or held through leasehold by certain companies which controlled considerable blocks of gas reserves. It also showed the total acreage of the fields and the extent to which control of the fields was in the hands of these large holders.

Natural gas acreage in the Texas Panhandle and Hugoton gas fields owned in fee or held through leasehold by certain companies, together with estimated reserves and possible values

	Panhandle field (acres)	Hugoton field (acres)	Total (acres) [1]	Possible reserves at 7,500 thousand cubic feet per acre (MMcf)	Value at 5 cents per thousand cubic feet	Value at 10 cents per thousand cubic feet
Pipe line companies:						
Canadian River Gas Co	262,883		262,883	1,971,000	$98,500,000	$197,100,000
Cities Service Gas Co	104,921	201,601	306,522	2,299,000	114,950,000	229,900,000
Consolidated Gas Utilities Corp	17,551		17,551	132,000	6,600,000	13,200,000
El Paso Natural Gas Co		[2] 34,800	34,800	261,000	13,550,000	26,100,000
Kansas-Colorado Utilities Co		6,693	6,693	50,000	2,500,000	5,000,000
Kansas-Nebraska Natural Gas Co		8,080	8,080	61,000	3,050,000	6,100,000
Northern Natural Gas Co	16,005	188,917	204,922	1,537,000	76,850,000	153,700,000
Panhandle Eastern Pipe Line Co	40,269	401,301	441,570	3,312,000	165,600,000	331,200,000
Texoma Natural Gas Co	140,118		140,118	1,050,000	52,500,000	105,000,000
Total for group	581,747	841,392	1,423,139	10,673,000	533,650,000	1,067,300,000
Other companies:						
Cabot Carbon Co		17,920	17,920	134,000	6,700,000	13,400,000
Cities Service Oil Co		33,900	33,900	254,000	12,700,000	25,400,000
Columbian Fuel Corp		55,633	55,633	417,000	20,850,000	41,700,000
Fin-Ker Oil & Gas Production Co		48,200	48,200	362,000	18,100,000	36,200,000
Hagy, Harrington & Marsh	32,990	149,848	182,838	1,371,000	68,550,000	137,100,000
Kansas Natural Gas, Inc		14,980	14,980	112,000	5,600,000	11,200,000
Magnolia Petroleum Co		118,480	118,480	889,000	44,450,000	88,900,000
Peerless Oil & Gas Co		116,000	116,000	870,000	43,500,000	87,000,000
Phillips Petroleum Co	285,000	620,880	905,880	6,794,000	389,700,000	779,400,000
Republic Natural Gas Co		220,501	220,501	1,654,000	82,700,000	165,400,000
Shamrock Oil & Gas Corp	220,000	1,700	221,700	1,664,000	83,200,000	166,400,000
Sinclair Prairie Oil Co		19,000	19,000	142,000	7,100,000	14,200,000
Skelly Oil Co		171,520	171,520	1,286,000	64,300,000	128,600,000
Stanolind Oil & Gas Co		600,000	600,000	4,500,000	225,000,000	450,000,000
United Producing Co		90,920	90,920	682,000	34,100,000	68,200,000
White Eagle Oil Co		70,000	70,000	525,000	26,250,000	52,500,000
Total for group	537,990	2,349,482	2,887,472	21,656,000	1,082,800,000	2,165,600,000
Total acreage listed	1,119,737	3,190,874	4,310,611	32,320,000	1,616,450,000	3,232,900,000
Holdings by others	280,263	1,009,126	1,289,389	9,671,000	483,550,000	967,100,000
Total acreage of field	1,400,000	4,200,000	5,600,000	42,000,000	2,100,000,000	4,200,000,000
Percent of listed acreage to total	80	75	77			

[1] Data on acreage are from testimony in this record and from Commission files and records. [2] Held by affiliates.

In their April 28, 1948, report to the Senate and House, Commissioner Olds and Claude L. Draper summarized this control in these words:

1. Phillips Petroleum Co. is the largest holder of natural-gas acreage in each of the fields, with 20 percent of the Panhandle field total and 15 percent of that in the Hugoton field. It holds nearly one-sixth of the combined gas acreage in the two fields.

2. Stanolind Oil & Gas Co., a subsidiary of Standard Oil Co. of Indiana, comes second in the Hugoton field with 14 percent of the acreage, and Panhandle Eastern Pipe Line Co. third with just under 10 percent.

3. Three companies (Phillips Petroleum, Shamrock Oil & Gas Corp., and Canadian River Gas Co.) control more than half of the Panhandle field and, adding Texoma Natural Gas Co. and Cities Service Gas Co., we find five companies controlling nearly three-quarters of the acreage.

4. Seven companies (Phillips Petroleum, Stanolind, Panhandle Eastern, Republic, Cities Service, Northern Natural, and Skelly Oil Co.) control considerably more than half of the total Hugoton field, and, with the addition of 3 others, we have 10 companies in control of approximately two-thirds of the enormous acreage in that field.

5. Considering the combined acreage of the 2 fields, we find well over three-fifths of the acreage controlled by 10 companies (Phillips Petroleum, Stanolind, Cities Service, Canadian River, Shamrock Oil, Republic, Northern Natural, Hagy, Harrington & March, and Skelly Oil).

It should be borne in mind that this analysis does not include acreage which some of these companies may control under long-term contracts, being limited to ownership of fee or leasehold.

The table has been extended to show what increasing field prices will mean to the owners of these very large acreages. This extension also gives some idea of what such increases will cost the gas-consuming areas over the life of the reserves. The extension of the table is based on the arbitrary assumption that the reserves are distributed throughout the acreage at about 7,500,000 cubic feet per acre which produces total reserves closely approximating those presently estimated for the 2 fields. The probability is that these larger owners have taken up the better acreage so that the figures, if anything, probably underestimate the advantages which will flow to them.

On this basis, the figures show that an increase of 5 cents per thousand cubic feet would add $2,100,000,000 to the potential income from the fields over their life. Of this total, $1,616,450,000 would go to the dominant interests listed in the table.

Similarly, an increase of 10 cents per thousand cubic feet would provide additional revenue over the life of the 2 fields totaling $4,200,000,000, of which $3,232,900,000 would go to the group of 25 large holders shown in the table. These amounts are without adjustment for income taxes. For the pipeline companies alone this would mean an increased take over the life of the fields of more than $1 billion. Small wonder that they have done their best to mobilize royalty owners, small producers, and representatives of the producing States in favor of a change in the Federal Power Commission's regulatory practice which will enable them to gather in such a rich reward for having bought gas reserves and leases at distress prices from people who otherwise had no outlet for the gas.

To the Phillips Petroleum Co. alone a 5-cent increase would mean ultimately about $390 million and a 10-cent increase $780 million. To Stanolind the corresponding gains would be $225 million and $450 million; to Panhandle Eastern $165 million and $330 million.

Assuming that the fields will sustain production for 25 years, the group of 25 big holders of the acreage could count on an additional $60 million a year, with a 5-cent increase and $120 million a year with a 10-cent increase, and this does not include figures for the much larger reserves in the gulf coast area of Louisiana and Texas, in which such corporations as Standard Oil of New Jersey's Humble Oil, Electric Bond & Share's United Gas Co., and the Chicago corporation have annexed great blocks of natural-gas acreage.

As far as I can determine, the present Commission does not share the former Commission's feelings about natural-gas rates. The present Commission has been busy granting rate increases as fast as it can handle them. Barron's magazine said last November 16:

Another significant development during the third quarter of 1953 was the breakup of the log jam of rate increases pending before the Commission, which at one time exceeded $200 million. In a recent speech FPC Chairman Kuykendall noted that the Commission as of October 19 had 51 rate cases still pending.

One sifinificant feature of the settlement of recent rate cases has been the evolution

of the conference method of reaching an agreement, rather than long, drawn-out formal hearings. The negotiation, or conference method was successfully used in recent rate cases involving Texas Eastern Gas Transmission, which received two rate increases amounting to $30.8 million; Tennessee Gas Transmission for $77.9 million; and Texas Gas Transmission for $10.5 million.

This brings me to the Phillips Petroleum case and the following section from a Public Affairs Institute report:

The case arose out of petitions by the cities of Detroit and Milwaukee, the county of Wayne, Mich., and the State of Wisconsin for an investigation by the Federal Power Commission of the reasonableness of rates at which Phillips Petroleum was delivering gas to Michigan-Wisconsin Pipeline Co. for resale to distributing companies in Michigan and Wisconsin. The Commission, as a preliminary, undertook an investigation to determine whether it had jurisdiction to regulate these rates.

The case was undertaken at the time when, following the United States Supreme Court decision in the Interstate Natural Gas Co. case, the natural-gas industry was moving to amend the Natural Gas Act to exclude such sales from Federal Power Commission regulation. The Commission, in 1951, with Chairman Buchanan dissenting, decided, after continued attempts to amend the act had failed, that Phillips Petroleum sales were a part of, or incidental to, its production and gathering of gas and, therefore, not subject to its regulatory jurisdiction.

The Commission's decision was appealed by the representatives of the consuming areas and was reversed by the Circuit Court of Appeals for the District of Columbia. The United States Supreme Court first refused to grant a writ of certiorari but has since reversed itself and agreed to hear argument in the matter. This will lead to a final decision as to whether, under the Natural Gas Act, sales of natural gas to interstate pipelines by Phillips Petroleum and other independent producers are subject to Federal Power Commission regulation.

The Supreme Court's initial refusal to hear further argument in the case, thereby affirming the decision of the lower court, was reported to have placed the majority of the Commission in a dilemma from which the Court's January 18 change of mind has accorded them at least temporary relief. According to the Wall Street Journal of January 19, 1954:

" 'The Supreme Court's decision to grant a rehearing of the Phillips case brought a feeling of relief not only to the company and the natural-gas industry generally, but also to the Federal Power Commission. The FPC has been arguing all along that Phillips' sales should be regulated by the States, not the Federal Government, and it had been reluctantly preparing to take over a big new regulation job.'

"This is a lifesaver for us," one high FPC official said of the Court's rehearing announcement, "The appeals court's ruling was a horrible decision because it didn't give us any guideposts. Now we can hope for a ruling that'll give us some ground rules in the event we still end up regulating these sales."

"Successful conferences" and "lifesaver" announcements by the Supreme Court of the United States are words that should be put down alongside those by Senator DOUGLAS, of Illinois. He told the other body on March 12 that it would be hard to tell whether the demise of the FPC's gas-regulatory power was a case of murder or suicide.

Any change from a cost to a fair field price base would make regulation of natural-gas rates by the FPC an expensive fraud. It would be expensive for all taxpayers—note that the Commission is asking $1,680,000 for regulation and surveys, natural-gas industry, this coming fiscal year. It would be expensive for natural-gas consumers—part of the money they pay for natural gas would be used by the pipeline companies to join in a little ritual before the FPC. It would be a fraud because there would be no regulation of rates if they were based on the fair field price, the highest monopoly price the traffic will bear.

Far better we should discontinue the pretense that the FPC is regulating natural-gas rates. The consumer then would not be suffering the delusion that he is being protected against exploitation at the hands of natural-gas companies. Nor would we be calling upon our taxpayers to foot a $1,680,000 bill for meaningless little rituals next fiscal year.

Mr. ANDREWS. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. Moss].

Mr. MOSS. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MOSS. Mr. Chairman, the pending bill asks more than 15½ millions for the Civil Service Commission. Of this amount, almost $3 million is for the Commission's work in carrying out the so-called employee-security program set up by Executive Order No. 10450 last year.

Let me make it clear that I believe—and I am sure every Member of this body agrees with me—that we should have only loyal and trustworthy individuals in our Government service. I would not hire a Communist or a drunk to work for me, and I do not think the United States Government should employ such individuals either. The necessity of an adequate program to secure that objective is not and must not become a partisan issue. I am confident that no one in this House—on either side of the aisle—will question the honest desire of Members to thoroughly examine such a vital program for the purpose of insuring its effectiveness and improving its procedures; and above all, keeping it from becoming a political football.

The previous administration set up the original Federal loyalty program in 1947 under Executive Order No. 9835. In 1950, the 81st Congress set up procedures for removing security risks from sensitive agencies such as the Defense and State Departments. The main feature of Executive Order 10450 was to extend the security risk removal provisions of the 1950 law to nonsensitive agencies such as the post office. Since there was little new in this, we might have expected the security program to continue working as quietly and effectively as it had done in the past.

The announced objectives of Executive Order No. 10450 were to insure loyal and trustworthy employees in the Government, and to provide fair, impartial and equitable treatment for Government employees.

No one could quarrel with the stated goals of the President's security program. But the noblest statement of purposes is meaningless unless translated into action. And, unfortunately, in this case performance falls far short of promises.

It is obvious by now that the new security program, as administered to date, has utterly failed to achieve its advertised aim of assuring fair, impartial, and equitable treatment to Government employees. And after months of effort, committees of this Congress have been unable to obtain the simplest and most basic information to reassure them that the national security has been receiving any better protection than have the reputations of our Federal workers.

The demoralization of the security program had its inception in the announcement by the White House last October that 1,456 security risks had been separated from Government under the new program, with the added statement that all but 5 were holdovers from the previous administration.

I will not evaluate the intentions of those who made that announcement, but the Washington Daily News said editorially that "there can be no doubt that the idea was to use the security program for political purposes."

Spokesmen for the majority party promptly seized upon this announcement as proof that 1,456 Communists or traitors or subversives had been removed from Government jobs. Among their spokesmen making this interpretation of the number 1,456 were a member of the White House staff, a governor, and at least one Cabinet member.

Like other Members of Congress who are concerned with problems of our civil service, I was deeply disturbed by the 1,456 announcement. If it were true that 1,456 spies or disloyal persons had been found in our Government, then we had a very serious situation calling for immediate legislative action to prevent a recurrence of such infiltration.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield there?

Mr. MOSS. I yield to the distinguished gentleman from Massachusetts.

Mr. McCORMACK. As I remember, the gentleman in the White House frankly apologized to the American people, admitting that he made a serious mistake.

Mr. MOSS. I think it is to his great credit. He is the only one who has apologized.

Mr. McCORMACK. It was the personal counsel of the President.

Mr. MOSS. That is correct.

If it were not true, then equally vigorous action was needed to prevent continuation of a slur which was reflecting unjustly on the loyalty of thousands of patriotic Government workers. We have been trying for months to find out whether any suspected spies, saboteurs, traitors, or Communists have been unearthed in our Government and, if so, what has been done to remove them. To this day, the officials in charge of the security program have been either unwilling, unable, or under orders not

to furnish this information to the Members of Congress.

Philip Young, Chairman of the Civil Service Commission, is charged with a major share of responsibility for the operation of this program. He has been a particularly uncooperative and evasive source of information.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Illinois.

Mr. YATES. I should like to point out, in confirmation of what the gentleman is saying, certain portions of the hearings on the Civil Service Commission before our Appropriations Subcommittee; for example, on page 1018. I asked Mr. Young, who is Chairman of the Commission, how many of the employees who were considered security risks had been investigated. He said he did not know, his records did not indicate. I asked him whether he would supply it for the record and he said:

I believe we would prefer not to, Mr. YATES, as part of the breakdown under this security order.

I asked the same thing on page 1024, and he said that he did not have that information compiled.

I said:

Can you supply it for the record?

And again he said:

We would prefer not to.

I asked him the same question subsequently in the record. I said:

Is there a relationship between the 3,200 figure and the 2,200 figure announced by the President of the United States?

And Mr. Young replied:

There might or might not be.

I asked:

I am asking now whether there is.

And Mr. Young replied:

I do not know.

Throughout he showed a complete desire to frustrate me in the information I was seeking. Before other committees I think probably witnesses who refused to give testimony have been accused of resorting to the fifth amendment. I wonder whether or not a similar comparison could be made with respect to Mr. Young.

Mr. MOSS. I would say to the gentleman that his action before the House Committee on the Civil Service, if it had been before some committees of this Congress, might well earn him that label.

His first reaction to requests for information was the astonishing statement that he was "not interested in whether a person was discharged for being disloyal or for being drunk." He next took the attitude that the Civil Service Commission had neither the responsibility nor the authority to furnish information about the program to Congress. He implied in a letter that no breakdown report on the program had been made to the National Security Council, but after persistent questioning admitted under oath that a report and breakdown had been furnished to that agency as far back as October 22, 1953. He continually praised provisions in the 1950 law for protection of employees, without mentioning that under his administration very few, if any, of those involved had been given an opportunity to use the provisions or even knew they were being charged with anything.

Congress got practically no cooperation from the administration in its efforts to learn the truth, but many of the country's newspapers—many Republican—performed a notable public service in digging up the facts. And the facts show very plainly why the officials responsible for this "numbers game" do not want it exposed to the light.

The fact is that supposedly responsible administration officials have perpetrated what, in my opinion, amounts to a deception upon the Congress and the people. All the totals so far released of alleged "security risks" are inaccurate and entirely meaningless.

Executive Order No. 10450 and Public Law No. 733 provide mandatorily that persons accused as security risks must be notified of the charges against them and given an opportunity to reply. If an individual is a security risk, then he must be evaluated and removed under the procedures of the order. That is the only possible way in which an individual can legally be declared a security risk.

Philip Young has admitted under oath that the great bulk of persons he calls security risks were never evaluated as security risks at all, but left the Government under normal civil-service procedures. As an example, Mr. Young claims that during 1953 he found 117 security risks in the State Department, 52 in the Treasury Department, and 150 in the General Services Administration. But responsible officials from each of those agencies have testified during appropriation hearings in direct contradiction that during the same period they did not separate one single individual as a security risk under the full procedure set up by Executive Order No. 10450.

Many so-called security risks do not know to this day that they have been so tagged by Mr. Young. Some are still working for the Government. The State Department security officer admitted that he reported as security risks 291 persons who merely transferred to another agency.

Charges that the numbers 1,456 and 2,200 represented mostly spies or traitors have been completely refuted. If Mr. Young has turned up even one actual subversive he has presented no evidence of it. But of all the prominent majority party spokesmen who made these false accusations, to my knowledge only one has been man enough to apologize publicly.

Now, in response to months of demands for basic information on the security program, Mr. Young has come up with another meaningless figure. His intention, of course, can only be to attempt to further confuse the Congress and the public in the hope that he can hide his errors by further use of meaningless and worthless totals.

Mr. Young has given us no information showing how many people, if any, have actually been declared security risks under proper legal procedures. He will not tell us whether we have any spies, subversives, or Communists in government.

But he has come up with another installment in the numbers game. He has picked the number 429 from somewhere and he says it represents individuals who left the Government in whose files he was able to locate "information indicating, in varying degrees, subversive activities, subversive associations, or membership in subversive organizations." To understand the significance of this figure we might compare it to courtroom procedure. If he were a district attorney, Mr. Young would be announcing that he had secured 429 convictions, when, in fact, he did not have 429 convictions or even 429 indictments, but only 429 charges on which action might or might not be taken, ranging all the way from serious accusations to idle gossip.

As an example, unsubstantiated accusations of subversive association have been made against former Ambassador Arthur Dean, and presumably went into his file. Mr. Dean has since resigned. I do not believe Mr. Dean is a security risk, but with that information in his file I can only assume that Mr. Young has him so listed. And if Secretary of State Dulles ever resigns, his former associations with Alger Hiss would likewise undoubtedly win him a place on Mr. Young's list of totals.

The most serious part of the whole business is that Mr. Young, with a large backlog of present employees not yet investigated, has had security officers neglecting the important work to search dead personnel files for information which is useless for any purpose except an attempt to save face and becloud the real facts.

Apparently it is going to be official policy to continue to play this "numbers game." Mr. Young told the Congress repeatedly that no one knew how many of the alleged security risks were holdovers from the previous administration. But only a few nights later, on TV, the official spokesman of the majority party said that the majority of the 429 were holdovers. Must we assume that Mr. Young is furnishing, for political purposes, information he will not give to the Congress for the protection of the national security?

The Congress has a right to know what is being done to protect our national security by insuring loyal and trustworthy Government employees. I, for one, am serving notice that I do not intend to rest until we get some responsive and meaningful answers.

Under the present security program, the Civil Service Commission is charged with grave responsibilities for protection of the national security for maintaining employee morale. It is obvious that the Commission, under Mr. Young's guidance, is devoting a great deal of time and effort to playing questionable politics with the security program.

Congress has been unable to obtain any information which would reassure it that such preoccupation has not injured the national security. Unless there is a marked change in the present unwillingness of the Civil Service Commission to cooperate in trying to insure the effectiveness and improve the procedures of

the security program, I respectfully suggest that the Congress should give serious consideration to transferring the Commission's duties under the program to some other agency which will take a more responsible attitude.

WHITE HOUSE ANNOUNCEMENTS

Excerpt from President Eisenhower's state of the Union message on February 3, 1953, outlining the purposes of the security program he intended to propose:

All these measures have two clear purposes: Their first purpose is to make certain that this Nation's security is not jeopardized by false servants. Their second purpose is to clear the atmosphere of that unreasoned suspicion that accepts rumor and gossip as substitutes for evidence.

October 23, 1953:

White House announced that 1,456 Government workers either had been dismissed or had resigned while facing action against them in the new Federal employee security program which became effective May 27. The announcement said that 863 employees were dismissed up to September 30 and that 593 resigned.

"In all of the resignation cases," it was announced, "the agencies and departments had unfavorable reports on these employees." James C. Hagerty, press secretary, added the information that only 5 of the 1,456 were persons given jobs under the Eisenhower administration on an interim basis pending investigation. Mr. Hagerty said he thought individual agencies might announce their part of the total later. (Washington Post, Oct. 24, 1953.)

January 7, 1954: President Eisenhower announced in his state of the Union message:

Under the standards established by the new employee security program, more than 2,200 employees have been separated from the Federal Government. (From the official text.)

EXAMPLES OF MISUSE OF FIGURES

November 7, 1953: The New York Times carried this headline at the top of its back page: "United States Aide Reports—One Thousand Four Hundred and Fifty-six Reds Ousted."

Under a Newark dateline from a special correspondent, this lead paragraph followed:

NOVEMBER 6—Bernard M. Shanley, special counsel to President Eisenhower, deviated from the text of a prepared address today to observe that "1,456 subversives had been kicked out of Government jobs since the President assumed office."

November 25, 1953: Senator JOSEPH R. MCCARTHY, Republican, Wisconsin, spoke on a nationwide radio hookup. One paragraph of the text was as follows:

For example, the new administration in the first 10 months in office, has gotten rid of 1,456 Truman holdovers who are all security risks, and over 90 percent of the 1,456 security risks were gotten rid of because of Communist connection and activities or perversion. One thousand four hundred and fifty-six, I would say, is an excellent record for the time President Eisenhower has been in office. (From full text in U. S. News & World Report.)

On a later Meet the Press program, December 13, Senator MCCARTHY again said that 90 percent of the number discharged "for Communist activities and perversion" ran "over 90 percent"—from NBC transcript.

December 16, 1953: Gov. Thomas Dewey, in a speech at a $100-a-plate Republican dinner at Hartford, Conn., referred to the issue in this paragraph:

The Democrats are also afraid that the American people will discover what a nice feeling it is to have a Government which is not infested with spies and traitors. In less than 11 months the Department of Justice has discovered and dismissed 1,456 security risks planted in the Government of the United States under Democratic administrations. (From New York Times text.)

January 21, 1954: Postmaster General Arthur Summerfield, addressing the New York City Industrial Conference Board, declared:

Almost 2,200 people who were security risks are no longer using up your tax money. I am here to tell you we are not hiring any new ones. Somehow I do not feel too amiably inclined toward people who make treason a preoccupation. (From the Post Office Department release.)

[The Eisenhower team has] "gotten rid of nearly 1,500 Communists, fellow travelers, and their ilk, whom the Trumanites had left in office."

"Under Truman, American taxpayers were providing salaries and expense accounts for hordes of spies, saboteurs, and fellow travelers. Now they are not." (From leaflet put out by Carlton G. Ketchum, national finance director of the Republican National Committee.)

GOOD WORK BY THE PRESS

December 21, 1953: The Washington Daily News began a series of eight articles disclosing individual cases of persons fired or charged under the security program. The cases described included a woman charged with bearing a baby less than 9 months after marriage, 10 years ago to her present husband, a man who failed to note on his job application that he was in an Army psychiatric ward during the war, and a man who had not yet gotten his job back although he had been cleared by his hearing board and ordered reinstated. The author's conclusion was that the system was "not working perfectly" for the individual or the Government.

January 1, 1954: The Washington Post, in a column by Murrey Marder, declared that the administration, "in its zealousness to show that it has been cleaning security risks out of Government," has produced "a set of statistics which has been transformed into a seriously distorted political issue."

January 5, 1954: The Washington Evening Star declared editorially that the Civil Service Commission "owes the public a full explanation of how this total was arrived at and what it covers."

January 3, 1954: The Washington Evening Star, in a three-column review of its efforts to analyze what its reporter, L. Edgar Prina, called "an almost meaningless figure," said that it appeared that the figure, 1,456 included persons who never were fired or forced to resign, as the White House announcement implied, but who instead were separated through voluntary resignations, reductions in force—even by death—without ever knowing they had been accused of anything.

The Star story also reported that the Navy had originally prepared a release, announcing 8 persons fired and 12 suspended as security risks, but after learning that the Civil Service Commission had counted the Navy for 192 of the 1,456, the Navy announced the separation of 192 persons "against whom a security question existed."

The Star said the Air Force rebelled against conforming to the "official" figure and canceled a release on the subject.

January 17, 1954: A Washington Post editorial declared that—

These 2,200 separations thus do not afford any meaningful index to the administration's security vigilance.

It looks—

The editorial continued—

as if the President has been handed a phony figure. We wish he would demand a breakdown of it and give the results of that breakdown to the public.

January 28, 1954: Regarding President Eisenhower's expressed concern over an unjustified stigma on persons dismissed, the Washington Post declared editorially:

One reason the administration is reluctant to break down the figures, it may be inferred, is that few of the 2,200 cases involve actual or suspected disloyalty (and that the total includes some perfectly routine departures). * * * The stigmatizing which worries the President has been intensified by the administration itself, and disclosure, rather than buckpassing, is the way to correct it.

February 1, 1954: Roscoe Drummond, of the New York Herald Tribune, quoted the statements on security risks by "a politically minded member of the White House staff," "a politically minded Cabinet member," and "a Communist-hunting Senator" with the observation:

The facts do not support or provide any excuse for these exaggerations. They are careless, irresponsible, and purposeful. Most who indulge in them are too bright not to know what they are doing.

February 3, 1954: Joseph C. Harsch, special correspondent to the Christian Science Monitor discussed the risk situation and commented:

The administration is caught between the presidentially recognized injustice to many innocent individuals and the presidentially recognized monstrosity of a Republican administration clearing Democrats of charges pinned on them by Republicans.

February 4, 1954: the Washington Post, in an editorial, said that an administration breakdown of its security program figures, if it comes, should provide the following information:

The number of cases in which charges relating to loyalty were presented to the employees; the number in which adverse findings were made after hearings held in accordance with procedures prescribed under the new security program; the number cleared after hearings; the number who resigned without having any charges filed against them and without any knowledge that they were the subjects of suspicion; the number whose dismissal or resignation entailed allegations of unreliability or unsuitability on grounds wholly unrelated to loyalty.

[From the Washington Daily News of March 5, 1954]

CLEANING THE RECORD

The murky tabulations of security risks issued by the administration were not fully explained by the several statements of Civil

Service Chairman Philip Young to congressional committees this week. But Mr. Young did clear up two important misconceptions about the risks:

The false idea that most or all of the security risks listed by the administration so far were traitors, subversives, Communists, or something of the kind.

Mr. Young's figures show that only about 17 percent of those rated as security risks by the administration had any substantial information relating to subversion in their personnel files when they left the Government.

Even that does not mean all 17 percent were subversives, Mr. Young emphasized. Many resigned without knowing of the charges and having a chance to explain; others were fired for entirely different reasons. Few, it is clear, went through all appeal procedures and were finally dismissed as subversives.

The false idea that the new administration security program was responsible for removing all the listed risks, whether they were subversives or merely alcoholics or blabbermouths.

Mr. Young's figures show that more than half of some 2,429 persons listed as risks resigned, many voluntarily and without having been informed of the charges. And of those fired, Mr. Young said, "the great bulk were separated under regular civil-service procedures"—not the new security program.

These two misconceptions developed essentially from some—not all—Republicans' attempt to make political capital out of the situation.

President Eisenhower himself left an erroneous impression in a prepared statement (doubtless prepared for him by somebody else) at his December 2 press conference:

"Fear of Communists actively undermining our Government will not be an issue in the 1954 elections. Long before then, this administration will have made such progress rooting them out under the [new] security program * * * that this no longer can be considered a serious menace. As you already know, about 1,500 persons who were security risks already have been removed."

Others went much further. Some of their statements are detailed in Anthony Lewis' article on this page. There can be no doubt that the idea was to use the security program for political purposes.

That was a bad idea for the country, and in the end for the politicians themselves.

With one exception none of the Republicans who made the false political claims has been man enough to admit that he was, to put it charitably, mistaken.

But by now everyone from the White House down must realize that the full truth would have been best from the start, which is what this newspaper has been hammering at since our story on December 7, 1953, the first in any newspaper to call attention to the discrepancies in party leaders' statements.

Of course, even one subversive in Government is one too many, but it isn't necessary to smear the entire Federal service with deliberately distorted versions of its condition in order to clean up the dirty spots, and keep the service clean.

[From the Washington Star of March 10, 1954]

YOUNG CAN'T ACCOUNT FOR HAGERTY FIGURES ON SECURITY OUSTERS

Chairman Young, of the Civil Service Commission, today said he has no idea where White House Press Secretary James C. Hagerty got his information that all but 5 of the first 1,456 security risks separated were Truman administration holdovers.

Under questioning by Democratic members of the Senate Civil Service Committee, Mr. Young stated that the CSC never supplied such information at any time. He added that statistics on who hired the security risks have not been kept by the Commission.

[From the Washington Star of March 11, 1954]

ADMINISTRATION DOESN'T KNOW SCORE IN ITS "NUMBERS GAME"

The security risk "numbers game" was in such a state of confusion today that administration spokesman found themselves at odds even as to who had told what and to whom.

Testifying at a Senate hearing yesterday, Chairman Philip Young of the Civil Service Commission said that he had no idea where James Hagerty, White House press secretary, got his information that all but 5 of the first 1,456 Federal employees dropped as security risks were Truman holdovers.

He added that such information definitely did not come from Civil Service Commission because no such statistics had ever been kept there.

TWO VERSIONS

In answer to a query from the Star, on the other hand, Mr. Hagerty said he got his data from the Civil Service Commission. Informed of Mr. Young's statement, he said that still was his best recollection.

"I didn't pick the figure out of the air, I know that," he said.

Mr. Young could not be reached immediately for further comment.

Mr. Hagerty made his original statement about Truman holdovers at a press conference last October 23 when the White House announced results obtained in the first 4 months of the security program.

MR. YOUNG'S COMMENT

The Washington Daily News, in John Cramer's column on January 15, quoted Chairman Philip Young, of the Civil Service Commission:

I, as a taxpayer, am not interested in whether a person was discharged for being disloyal or for being drunk, and I don't think the average person is. They just want to know that we are getting rid of this type of person on the Government payroll.

CORRESPONDENCE WITH MR. YOUNG

After more than 2 months, the questions asked still remain unanswered.

JANUARY 15, 1954.

Hon. PHILIP YOUNG,
Chairman, Civil Service Commission,
Washington, D. C.

DEAR MR. YOUNG: As you are no doubt aware, wide publicity has been given to figures from the Civil Service Commission indicating 1,456 Government employees had been removed as security risks under the new personnel security program. Recently this number has been raised to 2,200.

The Executive order setting up the new security program defines as "security risks" all Government employees guilty of espionage, subversive activities, or unauthorized disclosure of security information as well as those who are members of subversive organizations or associated with subversive persons. In addition, under the new order, Government employees may be classed as security risks if their behavior is unreliable or untrustworthy, if they have had personal habits such as immoral conduct or addiction to alcohol, if they are sex perverts, or if there is any reason to believe they may be subject to coercion or pressure from those attempting to undermine our national security.

No breakdown has been made showing the number of employees discharged because of questionable loyalty and the number classed as security risks for other reasons. The total number of discharged employees has been used by many persons in a manner that suggests all, or nearly all, of these employees were discharged because of disloyalty to the United States.

If we had 2,200 spies or unquestionably disloyal persons in our Government last year, it is a very serious situation calling for legislative action amending civil service laws on hiring and firing of security risks. We must make sure our laws are strong enough to prevent a recurrence of the deplorable situation.

If, however, the majority of the 2,200 persons classed as security risks are loyal Americans, we need to take equally vigorous action to prevent repetition of a slur which reflects unjust doubt on the loyalty of thousands of patriotic Government employees.

As a member of the House Committee on Post Office and Civil Service, which has the duty of considering legislation affecting Government workers and the civil service system, I wish a thorough report on the Government loyalty question. Therefore, I request that you furnish to me as soon as possible the following information regarding the 2,200 persons removed from Government employment as security risks:

1. How were the figures compiled showing 1,456, and later 2,200, security risks were removed from Government employment?

(a) Were all of the 2,200 persons involved informed of the charges against them and given an opportunity to appeal before being removed?

(b) How many of the 2,200 persons were discharged and how many, if any, resigned?

(c) Are any of the 2,200 persons still employed by the Government?

2. How many of the 2,200 persons were removed because of questionable loyalty?

(a) How many, if any, had committed espionage, sabotage, or treason?

(b) How many, if any, were members of the Communist Party?

(c) How many were removed on other loyalty grounds such as associating with subversive persons?

3. How many of the 2,200 persons were removed for reasons not involving loyalty, such as bad personal habits, excessive drinking, or the possibility of being subject to coercion?

4. How many of the 2,200 persons had been cleared by a previous loyalty board?

I am sure you will agree Congress must be fully informed in order to carry out its duty of enacting necessary legislation.

I would appreciate immediate acknowledgment of this letter informing me whether I will receive the information requested and when it will be forthcoming.

Thank you very much.

Sincerely,

JOHN E. MOSS, Jr.

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., January 19, 1954.

Hon. JOHN E. MOSS, Jr.,
House of Representatives.

DEAR MR. MOSS: I have received your letter of January 15 inquiring about the employees' security program and asking various questions with respect to it.

Under the provisions of Executive Order 10450 establishing this program the heads of the individual departments and agencies are specifically responsible for the matter of security in their own agencies. In addition, the Civil Service Commission has certain responsibilities enumerated in the order concerning the maintenance of a security index, compilation of lists of employees to participate as members of hearing boards, as well as certain reporting functions given in section 14 requiring the Commission to render information to the National Security Council.

The Civil Service Commission has neither the responsibility nor the authority to release any information that it may possess concerning the employees' security program. It expects to render a report to the National Security Council in a few weeks and I would assume that, at that time, the National Security Council and the White House would

arrive at some determination as to what information might be released on the details of the program.

Please be assured of our very sincere interest in your inquiry, and I shall be very glad to sit down and talk with you about this further if you so desire.

Sincerely,

PHILIP YOUNG,
Chairman.

JANUARY 26, 1954.

Hon. PHILIP YOUNG,
Chairman, Civil Service Commission,
Washington, D. C.

DEAR MR. YOUNG: Your letter of January 19, if I understand it correctly, takes the position that the Civil Service Commission has the information I requested but is not authorized to furnish it to me.

I do not understand your contention that the Civil Service Commission has no authority to furnish the information requested. I know of no law or Executive order prohibiting an executive department from furnishing such information to a Member of Congress, and you do not cite any such law or Executive order in your letter.

I am aware of the Presidential directive of March 13, 1948, forbidding release of confidential files relating to loyalty investigations without express permission of the President. I agree with this order and recognize its necessity in order to protect Government personnel against the dissemination of unfounded or disproved allegations. This order does not, of course, apply to the present situation. I have not asked for confidential files of investigative reports. I do not seek the names of individuals nor the identity of informants. With one exception—a request for an explanation of the manner in which the total was compiled—every question I asked could be answered by a simple yes or no, or by a number.

Under section 13 of Executive Order 10450, the Attorney General is charged with advising departments and agencies on the employee-security program. According to press reports, the Attorney General stated on January 21 that it is up to the Civil Service Commission to decide if any breakdown of the security-risk figure should be released.

In my letter of January 15, I stressed the fact that Congress must be fully informed so that it may enact whatever legislation is needed to protect the national security. The need for a clarifying statement on loyalty firings and on dismissals for other reasons is obvious to me. There is a great difference between dismissing 2,200 persons for drunkenness, which would call for an extensive temperance program in the Federal service, and the dismissing of 2,200 Government workers for acts of disloyalty which should call for drastic action to counteract a major threat to the security of our country.

There is another compelling reason for prompt clarification of previous statements on the employee-security program. The administration has already made public announcement of the number of security risks removed from the Government. The numbers 1,456 and 2,200 have been repeatedly used in ways suggesting all, or nearly all, of these persons were disloyal to the United States. The responsible officials have refused to give further information to either refute or confirm those charges. This attitude has helped to foster unjust and entirely unwarranted suspicion of many persons who left the Government voluntarily or were discharged for economy reasons. The whole situation inevitably injures the morale of civil service workers and undermines public confidence in our Government.

In your capacity as Chairman of the Civil Service Commission—the agency most directly concerned with assuring fair play to career Government workers—I should think you would feel some responsibility for repairing the damage caused by misunderstanding and distortion of information furnished by the Commission. I frankly do not understand your apparent reluctance to take corrective action.

You refer in your letter to the possibility of information being available after the next report by the Civil Service Commission to the National Security Council. In view of the fact that the first report was made on October 22, 1953—3 months ago—it is reasonable to assume you should be in a position to decide policy at least to the extent it applies to that original report and take immediate steps to release the requested breakdown. Failure to do so must force me to the conclusion that your policy is to withhold these facts from the public and the Congress as well.

Sincerely,

JOHN E. MOSS, Jr.

UNITED STATES
CIVIL SERVICE COMMISSION,
Washington, D. C., February 18, 1954.

Hon. JOHN E. MOSS, Jr.,
House of Representatives.

DEAR MR. MOSS: I refer to our previous correspondence concerning a breakdown of separations of Federal employees under Executive Order 10450.

Yesterday I called upon the heads of the departments and agencies to furnish information concerning these cases as outlined in the attached statement.

Sincerely,

PHILIP YOUNG,
Chairman.

[Press release, United States Civil Service Commission, Washington, D. C., Wednesday, February 17, 1954]

STATEMENT BY PHILIP YOUNG, CHAIRMAN, CIVIL SERVICE COMMISSION, CONCERNING INFORMATION ABOUT EMPLOYEE SECURITY PROGRAM THAT WILL BE FURNISHED TO NATIONAL SECURITY COUNCIL

The basic objective of the employee security program is to make sure that there is no employee on the Federal payroll nor any applicant appointed who can, because of his position, endanger the national security. The American people must be assured that Federal employees are persons of integrity, high moral character, and of unswerving loyalty to the United States. This we have attempted to do. Today the head of each department and agency is responsible for the security of his agency.

There are many criteria for determining the security reliability of employees. A person not measuring up to those standards may have voluntarily resigned his position or may have been discharged. In either case he is no longer on the Federal payroll in a job in which he might endanger the national security. To attempt a classification of these persons by assigning a specific reason in each case for regarding the individual as a security risk would be futile and meaningless. The criteria in section 8 (a) of Executive Order 10450 are many and are broadly stated. It is only the rare case where any single criterion would be controlling. Many things must be and are taken into account, including in many cases the job held and its relationship to the national security.

The American people have been informed from time to time that this program has been making progress. Many hundreds of persons whose files contained information giving cause for belief that such persons did not measure up to the security standards are no longer on the Federal payroll. Some were discharged, and some resigned. Some of those who resigned undoubtedly knew of the derogatory information concerning them; others doubtless did not.

A short time ago it was indicated that a study would be undertaken to determine whether it was feasible to make any classification of those who did not measure up to the security standards. That study indicates that a classification according to the particular reasons for regarding these individuals as security risks would be neither feasible nor in the public interest. However, a classification according to broad categories of information in the individuals' files is feasible. Accordingly, in order to make available to the National Security Council as much information as can feasibly be assembled about the program, I have called upon the heads of the executive departments and agencies to analyze their security cases on the basis of the following types of information contained in the files:

1. Number whose files contained information indicating, in varying degrees, subversive activities, subversive associations, or membership in subversive organizations.

2. Number whose files contained information indicating sex perversion.

3. Number whose files contained information indicating conviction of felonies or misdemeanors.

4. Number whose files contained any other type or types of information falling within the purview of Executive Order 10450, as amended.

Heretofore the statistical data that the various departments and agencies have been furnishing to the Civil Service Commission concerning the employee security program has not included any classification of cases either according to causes for regarding the individuals as security risks or according to information about them.

It should be pointed out again that no individual has a right to a Government job. Working for the Government is a privilege that a citizen must earn. He must meet the standards required for his particular assignment, whether under Civil Service, the security program or any other criteria established for and on behalf of the American people.

FEBRUARY 24, 1954.

DEAR MR. YOUNG: Thank you for your letter of February 18. It does not answer the questions asked in my previous correspondence—in fact, it raises additional questions.

I am pleased to note that you apparently no longer contend as you did in your letter of January 19 that you are not authorized to release information on the employees' security program. However, you still have not stated that you intend to release any information. May I suggest that you make a prompt announcement stating just what information you are going to release and when you are going to release it.

I am disturbed by your indication that you called upon the heads of departments only last week to furnish information concerning security cases. Executive Order 10450 became effective in May 1953, more than 9 months ago. Surely you are aware that section 9 (a) of that order directs the Civil Service Commission to establish and maintain "a security-investigations index covering all persons as to whom security investigations have been conducted by any department or agency of the Government under this order." It also states that "the security-investigations index shall contain the name of each person investigated" and "adequate identifying information concerning each such person." In addition, section 9 (b) states that "the heads of all departments and agencies shall furnish promptly to the Civil Service Commission information appropriate for the establishment and maintenance of the security-investigations index."

You must also know that section 14 (a) of Executive Order 10450 directs the Civil Service Commission to "make a continuing study of the manner in which this order is being implemented by the departments and

agencies of the Government" in order to ascertain deficiencies in the program which tend to weaken the national security or deny individual employees fair, impartial and equitable treatment. Section 14 (b) directs all departments and agencies of the Government to cooperate with the Civil Service Commission in accomplishing this study.

If you have complied with these provisions of Executive Order 10450, why is it necessary now to ask the agencies for this information? If you did not have this information, how could you or any other official compile the figures 1,456 and 2,200 which were publicly announced?

As a member of the House Committee on Post Office and Civil Service, I believe it is my duty to try to ascertain whether the new employee security program is properly safeguarding the national security and affording individual employees fair and equitable treatment. For this purpose, I asked questions carefully drawn up to bring out the number of persons, if any, removed from Government jobs as spies, traitors or saboteurs under section 8 (a) 2 of Executive Order 10450 and to show whether the persons classed as security risks had been notified of the accusations against them and given an opportunity to defend themselves. Your request to the departments for information seems to carefully avoid both of these vital questions. I hope this is not your intention.

I note with interest that you do not ask the departments how many employees they have separated under the new security program. Instead you merely ask what kind of information is contained in personnel files. It should not be necessary to point out to you that these files often contain anonymous accusations which have no basis in fact whatever. This was strongly demonstrated recently in some shocking and wholly groundless charges against Chief Justice Earl Warren. Your request for the number of files having derogatory information in them might be helpful in showing how many persons wrote anonymous letters accusing Government workers, but it is of no value whatever in showing what action the agencies took on those accusations under Executive Order 10450.

It would almost appear that you are now trying to find something in enough files to back up the figures which have been so widely publicized and so strongly attacked as erroneous.

Your request for information is so worded as to permit classifying in the same category persons guilty of treason and persons who are unquestionably loyal but are unfortunate enough to have a relative living behind the Iron Curtain. I can assure you that any breakdown which classifies actual subversives with loyal citizens whose only fault is having a suspected relative will neither satisfy nor deceive Congress.

You state in your press release that "To attempt a classification of these persons by assigning a specified reason in each case for regarding the individual as a security risk would be futile and meaningless." I find it impossible to reconcile this statement with the procedures established by law for removal of security risks. The law (title 5, section 22-1 of the United States Code) provides: "That any employee having a permanent or indefinite appointment, who is a citizen of the United States whose employment is suspended * * * shall be given after his suspension and before his employment is terminated * * * a written statement within 30 days after his suspension of the charges against him * * * which shall be stated as specifically as security considerations permit."

If the departments do not know the specific reasons for classifying an individual as a security risk, how can they notify that individual of the charges against him? And if the departments are giving proper notice to individuals of the specific charges against them, why is that information not readily available?

You are no doubt aware that a number of persons in high positions have used the figures 1,456 and 2,200 in such a manner as to indicate that all or nearly all of these persons were discharged for disloyalty to the United States. Some of the persons making those charges are officials of the administration itself.

As Chairman of the Civil Service Commission you have a definite responsibility for dealing with problems affecting our Government workers. It is hard to imagine anything more damaging to the morale of the Government service than the present accusations of widespread treason being made by supposedly responsible officials.

It is because of widespread misuse of these questionable figures that I now feel the facts must be made known and be as widely publicized in order that the American people may know how very few of their employees merit the label of "traitor" or "subversive."

COUNTING TRANSFERS AS SECURITY RISKS

Excerpts from the testimony of Robert W. S. McLeod, Administrator, Bureau of Security and Consular Affairs, State Department House Appropriations Subcommittee on Department of State, Justice and Commerce, January 25, 1954, page 44:

Mr. McLEOD. * * * we have had a total of 590 separations on which a security question existed. That was from January 1, 1953, to December 31, 1953. We can break those down as follows:

* * * * *

Transferred to other agencies, 291.

PROCEDURES OF 10450 NOT USED

Excerpt from testimony of Philip Young, Chairman of the Civil Service Commission, before the Senate Committee on Post Office and Civil Service, March 10, 1954:

The third point I would like to make deals with the protection granted to employees under this program. For those persons whom an agency head proposes to terminate under the provisions of Executive Order No. 10450 the procedure calls for a statement of charges and an opportunity to answer. A hearing may be granted, if the employee so desires, before a security hearing board composed of three employees of other Government agencies. The sample regulations, furnished to all agencies by the Justice Department, and adopted by agencies with some minor modifications, provide that when a hearing is held the employee will have the right to present witnesses on his behalf and may cross-examine any witnesses offered in support of the charges. The hearing board reports its decision to the head of the agency who makes the final decision. If the employee is terminated, there is also provision for a determination by the Civil Service Commission, upon the employee's request, as to whether the former employee may be employed in another agency.

Excerpt from the testimony of Robert W. S. McLeod, Administrator, Bureau of Security and Consular Affairs, State Department, House Appropriations Subcommittee on Departments of State, Justice, and Commerce, January 25, 1954, page 45:

SECURITY RISKS

Mr. McLEOD. * * * So far we have not successfully finally completed the procedure in a single case under this order.

On January 12 and February 8, 1954, Elbert P. Tuttle, General Counsel of the Treasury Department testified before the House Appropriations Subcommittee on the Treasury-Post Office Departments to the effect that there had been 130 dismissals of security risks during 1953. All 130 had been removed under Executive Order No. 9835. No security risks had been removed under Executive Order No. 10450.

Excerpt from testimony of Baron Shacklette, compliance officer, General Services Administration, House Appropriations Subcommittee on Independent Offices, February 24, 1954, page 1646:

Mr. SHACKLETTE. * * * There have been no separations after a full hearing to date in GSA. None of them has gone the full route as provided in the Executive order.

WHERE DID THE VICE PRESIDENT GET HIS FACTS?

Excerpts from testimony of Philip Young, Chairman of the Civil Service Commission, before the Senate Committee on Post Office and Civil Service. March 10, 1954:

Senator JOHNSTON. How many of this 2,400 that you are talking about have been hired in Government since January 1, 1953?

Mr. YOUNG. I can't tell you that, Senator, because I don't know how many have been. * * * It would be an extremely difficult figure to try to break out, because, again, it means going back and looking at every single individual case.

Senator JOHNSTON. I want you to give me that, plus this: I want the percent that you fired for that reason, that you have hired since February 1, 1953—the percent. And I want to know the percent that was working for the Government prior to that time, and the percent you have let go.

Mr. YOUNG. That would be a practically impossible figure to get, Senator, without a terrific amount of time and work, to attempt to find out when each one of these individuals came on the payroll.

* * * * *

Mr. YOUNG. As I have been pointing out, Senator, it would be extremely difficult to attempt to break down 2,486 cases from the point of view of determining as of what date they actually came on the Federal payroll. * * * It means going back through 2486 individual files, which are scattered all over the country, and in some cases, in other parts of the world.

* * * * *

Senator COOPER. * * * Can you say whether or not those 429 were in the Government at the time of issuance of the Executive order? Is that known?

Mr. YOUNG. It is not known, Senator—the date when any one of these individuals was put on the payroll.

Excerpt from speech made by Vice President NIXON as official spokesman of the Republican Party, March 13, 1954:

Now, how has this policy worked?

Well, since May, when the policy was adopted, fairly and effectively under this program we have been weeding out individuals of this type; and to give you an idea I have here a breakdown of the files of over 2,400 people who have left the Federal payroll either by resignation or discharge under this program since May, and the great majority of these, incidentally, were inherited from the previous administration.

CONCLUSION

To any rational individual, the documentation above can lead only to complete confusion. It is the best possible evidence of the necessity for giving the facts to the Congress and the public.

Mr. ANDREWS. Mr. Chairman, we have no further requests for time.

Mr. PHILLIPS. Mr. Chairman, I yield such time as he may desire to the gentleman from West Virginia [Mr. NEAL].

Mr. NEAL. Mr. Chairman, I am in hearty accord with the position taken by the committee—that money advanced by the Government for completing construction of Tennessee Valley Authority facilities should bear the same rate of interest that the Government is required to assume on bonds sold to the public, since this is the only source of Government's borrowed funds.

TVA power consumers have always enjoyed cheaper power rates than those prevailing in other areas of the Nation whose taxpayers have borne the brunt of the creation and maintenance of TVA facilities.

Even now there is pending a commitment of Government funds for the purpose of canalizing the Green River in Kentucky solely for the purpose of subsidizing TVA's coal supply to fuel its steam plants.

The Atomic Energy Commission's operations at Oak Ridge may require more power from time to time. If that is so, Government should encourage the creation of productive capacity to supply this power for defensive purposes, but power so supplied by this facility will be amply paid for out of AEC funds furnished by the taxpayers who reside in all parts of the United States.

It is, therefore, only fair to the general public that TVA assume the interest on funds advanced by the Government at the same rate paid by Government for the purpose of securing moneys to be loaned in this manner.

Mr. PHILLIPS. Mr. Chairman, I have no further requests for time, and I suggest the Clerk read the first paragraph of the bill.

The Clerk read the first paragraph of the bill.

Mr. PHILLIPS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GRAHAM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8583) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes, directed him to report it had come to no resolution thereon.

ESTABLISHMENT OF THE UNITED STATES AIR FORCE ACADEMY

Mr. SHORT. Mr. Speaker, I call up the conference report on the bill (H. R. 5337) to provide for the establishment of the United States Air Force Academy, and for other purposes, and I ask unanimous consent that the statement on the part of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1427)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5337) to provide for the establishment of a United States Air Force Academy, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, and 6, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 3. (a) The Secretary of the Air Force shall determine the location of the Academy within the United States in the following manner:

"(1) The Secretary of the Air Force shall establish immediately a commission, and appoint five members thereof, to advise him in connection with the selection of a permanent location for the Academy. The commission shall make its report to the Secretary as soon as practicable.

"(2) The Secretary shall accept the unanimous decision for a permanent location by such commission. In the event such recommendation is not unanimous, the commission by a majority vote shall submit to the Secretary three sites from which the Secretary shall select one as the permanent location."

And the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 8. (a) Notwithstanding any other provision of law, each cadet at the United States Military Academy and the United States Air Force Academy and each midshipman at the United States Naval Academy shall, prior to his graduation from such Academy, be afforded an opportunity to state a preference for appointment as a commissioned officer of the United States Army, the United States Navy, the United States Air Force, or the United States Marine Corps, upon his graduation, and, with the consent of the Secretaries of the military departments having jurisdiction over such Academy and over the armed force in which he prefers appointment, shall, upon his graduation, be accepted for appointment in such armed force, except that not more than 12½ per centum of the members of any graduating class of any such Academy shall be appointed as commissioned officers in armed forces other than the one administering such Academy. For the purpose of the foregoing limitation, graduates of the United States Naval Academy appointed as commissioned officers in the United States Marine Corps shall not be considered as having been commissioned in armed forces other than the United States Navy.

"(b) The Secretary of Defense shall by regulation provide for the equitable and fair distribution of appointments made pursuant to this section in the event that more than 12½ per centum of a graduating class of any academy referred to herein expresses a preference to be so appointed.

"(c) The provisions of this section shall take effect (1) in the year in which the first class of the United States Air Force Academy graduates, or (2) upon the rescission of the present agreement under which graduates of the United States Military and Naval Academies may volunteer for appointment in the United States Air Force, whichever is earlier."

And the Senate agree to the same.

DEWEY SHORT,
LESLIE C. ARENDS,
W. STERLING COLE,
PAUL W. SHAFER,
CARL VINSON,
OVERTON BROOKS,
PAUL J. KILDAY,
Managers on the Part of the House.

LEVERETT SALTONSTALL,
H. STYLES BRIDGES,
RALPH E. FLANDERS,
RICHARD B. RUSSELL,
HARRY FLOOD BYRD,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5337) to provide for the establishment of a United States Air Force Academy, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

LEGISLATION IN CONFERENCE

On January 21, 1954, the House passed H. R. 5337, a bill to establish an Air Force Academy. On March 8, 1954, the Senate passed the bill with certain amendments. Set out below is an explanation of the differences between the House and Senate versions together with an explanation of the bill as agreed to by the conferees.

Amendment No. 1: As the bill passed the House, Section 3 vested responsibility for the selection of a site in the Secretary of the Air Force with permissive authority for him to appoint a commission to advise him in this connection. Section 3, as amended by the Senate, clarifies the role of the commission which the Secretary of the Air Force shall appoint in connection with locating the permanent site of the Academy. Under the Senate version, the Secretary of the Air Force must appoint a 5-man commission to advise him on the permanent location of the Academy. The Senate provided also that the commission make its report no later than 45 days after the date of its establishment. The conferees modified this provision by removing the requirement for the commission's report within 45 days with the result that the commission shall make its report to the Secretary as soon as practicable. In view of the extensive study which has already been devoted to numerous sites throughout the United States, it is not believed that any considerable amount of time will be required by the commission in making its selection. Because of the importance of the site selection, however, it was felt that a limitation to a specific period of time might impose difficulties without necessarily attendant advantages. The Senate further amended section 3 by providing that if the recommendation of the commission is unanimous, the Secretary must accept it but that if the commission does not make a unanimous recommendation, it shall, by majority vote, submit three sites to the Secretary and the Secretary must select one of the three as the permanent site. The Senate version of the bill stated, in this connection, that if it became necessary for the Secretary to select one of three sites, he would be required to submit a written report to the Committees

on Armed Services of the Senate and of the House of Representatives setting forth the reasons for his selection. The conferees agreed to eliminate the requirement for reporting to the two committees for the reason that it appeared proper to vest full responsibility for the selection of the site in the executive branch. Thus the House managers receded to this amendment with an amendment.

Amendment No. 2: This involves merely the deletion of a subsection designation. The House managers receded.

Amendment No. 3: Subsection (b) of section 5 of the House version of the bill relating to appointment procedures for Air Force cadets was stricken by the Senate and a new section 6 was inserted in lieu thereof. The new section did not alter the intent of the House provision. It did, however, make the following modifications:

1. Reduces from 6 to 4 years the time during which the special system of appointments may prevail.

2. Removes the language in the House version requiring the Air Force to hold an annual examination "in each State, each Territory, and Puerto Rico."

3. Add language limiting each Senator and Congressman to 10 nominations for the annual examination.

4. Removes the implication of the House version that cadet vacancies allocated to the Territories and Puerto Rico would constitute a portion of those allocated to the Members of Congress.

The House managers receded.

Amendment No. 4: This involved merely the changing of the section designation from 6 to 7. The House managers receded.

Amendment No. 5: A new section 8 was inserted by the Senate. This section provides that up to 12½ percent of each graduating class of all the military academies will be permitted to state a preference for the military service in which they desire to be commissioned, whether Army, Navy, Marine Corps, or Air Force. As the bill passed the Senate, only the consent of the Secretary of the service in which the graduate desired to be commissioned would have been required. The conferees agreed to modify this provision by requiring also the consent of the Secretary of the military department having jurisdiction over the academy from which the cadet or midshipman is being graduated. Thus the House managers receded to this amendment with an amendment.

Amendment No. 6: Section 7 of the House version of the bill authorized the appropriation of $26,000,000. The Senate amended this section by its new section 9 so as to authorize not to exceed $126,000,000 which is intended to represent the total ultimate cost of the Air Force Academy. The Senate version also provided that not to exceed $26,000,000 of this amount may be appropriated prior to January 1, 1955. The House managers receded.

DEWEY SHORT,
LESLIE C. ARENDS,
W. STERLING COLE,
PAUL W. SHAFER,
CARL VINSON,
OVERTON BROOKS,
PAUL J. KILDAY,
Managers on the Part of the House.

The SPEAKER. The question is on agreeeing to the conference report.

The conference report was agreed to, and a motion to reconsider was laid on the table.

RESIDENTIAL PROPERTY AT OAK RIDGE, TENN.

Mr. BAKER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include therein a telegram from the president of the Oak Ridge, Tenn., Chamber of Commerce, and an editorial from the Oak Ridger, the daily newspaper published in Oak Ridge, Tenn., issue of Tuesday, March 6, 1953, entitled "Panama-Ridge Parallel."

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BAKER. Mr. Speaker, I have been a Member of Congress a little over 3 years. During that time I have frequently urged upon the floor of the House that the Atomic Energy Commission get out of the business of being the landlord to the thousands of residents of the atomic city, Oak Ridge, Tenn.

As I stated here just a few days ago, there have been many promises of a disposal program for Oak Ridge, but so far no performance, no plan or draft of a bill granting home ownership to these thousand of citizens at Oak Ridge and removing the stigma of a company town from Oak Ridge has yet been presented to Congress or made public.

I have received thousands of letters and telegrams urging home ownership for Oak Ridge. The following is a telegram from the President T. L. Clines, of the Oak Ridge Chamber of Commerce, of March 25, 1954:

Oak Ridge Chamber of Commerce finds it hard to reconcile delay in presenting property disposal bill to Congress with the many assurances received over past year. Greatly concerned that further delay will block all chances of passage this year. Every day's postponement will make it just that much harder to achieve your often expressed desire for normalcy in city of Oak Ridge. Respectfully urge immediate presentation of proposed legislation.

These fine citizens are justifiably impatient. I cannot too strongly urge the Atomic Energy Commission, Bureau of the Budget, and all other Government agencies responsible for action to give us immediate action so that these thousands of fine persons who are working tirelessly to save the United States from destruction may be first-class citizens and not tenants at sufferance of a Government landlord in a company town.

The following editorial from the Oak Ridger, of March 16, 1953, portrays the situation:

PANAMA-RIDGE PARALLEL

The current issue of Reader's Digest contains an article about the Panama Canal. It tells of the various factors that make the canal extremely vulnerable to enemy attack and reports on conditions about the canal in general.

A part of the article struck home with us particularly. It seemed, from this account, that there's quite a parallel between the canal government community and Oak Ridge.

For example, consider these excerpts describing conditions there:

"When the first Americans went down to the jungle in 1904 to dig the canal they faced incredible dangers and hardships. Special inducements such as free hospitalization, 25 percent more pay than similar Government employees in the United States get, and the advantages of living in a tax-free area were held out to lure these men from the safety of their homes and jobs up North. They were given to believe they were establishing new homes where the opportunities they created would pass on to their children.

"What has happened? At first they were charged reasonable rents for the shacks they inhabited—but rentals have been raised to exorbitant levels. Today these termite-ridden barracks, neither modernized nor maintained in decent repair, shock the visitor from the North. Free medical attention has been taken away, and not long ago the United States Government announced that the 25 percent pay differential would also be abolished or reduced. * * *

"The Canal Zone is like nothing else over which the American flag flies. It is not a State, a Territory, a possession, a mandate, or even a district, like the District of Columbia. You might say it is a kind of Indian reservation where the inhabitants pay American taxes but have no vote; where the landlord owns all the tepees and the trading posts—but the inhabitants can live there only so long as they have jobs. If you are retired or fired, you and your family are shipped out immediately like refugees. You are not permitted to buy or own a place to live, and it doesn't matter how long or faithfully you have worked there, when your useful days are over—out you go. * * *

"One oldtimer, recently retired after 45 years of faithful service, told me: 'The Canal Zone was the only home I knew. But as soon as my retirement papers came through I was practically deported.' He added: 'We oldtimers remember the ringing speeches of Teddy Roosevelt, General Goethals, and other great American leaders who assured us that we were building a new homeland for our children and our children's children. Now there is sadness—even bitterness—in our hearts. We oldtimers have a name for this: Betrayal at the Ninth Parallel.' "

Reading this, and then glancing at the calendar, makes us all the more impatient that the Atomic Energy Commission, the Bureau of the Budget, and Congress tell us something positive quickly about the long-long-promised property disposal program.

How much longer are we expected to be patient? We don't want our similarities to the Panama Canal to go any further than they already have.

SPECIAL ORDER GRANTED

Mr. WILLIS asked and was given permission to address the House today for 12 minutes, following any other special orders heretofore entered.

THE HOUSING PROGRAM

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include my individual minority view on H. R. 7839.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, the housing bill has been under consideration by the Committee on Banking and Currency for several weeks. The bill was reported out last Friday night. When the bill comes before the House on Wednesday or whenever it shall be appropriate to consider it, I expect to offer an amendment to strike out all of title II which is the title which would permit the raising of interest rates from the traditional

spread of 1½ percent above the long-term rate to 2½ percent, and also strike out controls which would be reinstating regulation (S).

INDIVIDUAL MINORITY VIEWS OF REPRESENTATIVE WRIGHT PATMAN ON H. R. 7839

This housing bill as reported has more harm in it than good. It would be better to have no bill at all than to pass this bill with all of its bad features.

The interest rate increase of 1 percent on home mortgage loans is indefensible. On a 25-year home mortgage for $9,600, an increase of one-half of 1 percent in interest means $814 the borrower must pay, or 15 percent more. This illustration is for an increase of one-half of 1 percent, whereas the bill provides for an increase of twice that much.

The financing plan of this housing bill was referred to as a fraud and a hoax by an important housing official, who stated it is "completely and absolutely unworkable."

We have 12 million substandard dwelling units in the United States. One-third of our Nation is ill-housed. We need to build 2 million new homes each year for the next 10 years to provide decent housing in America. The administration has programed less than 1 million new starts for this year. The home builders want to build 1,400,000 homes and recondition 500,000 more this year. The mortgage bankers and landlords—who profit from housing shortages—naturally want the smallest number started this year.

CONGRESS DELEGATED MORE POWERS THAN RETAINED

Twelve powerful men who have more control over the economic affairs of our country than the United States Congress or the Executive were not brought before the committee or consulted on this important bill.

Their actions will determine whether this bill or any other bill involving credit or money will work.

Congress in delegating such enormous powers to a small group has delegated more powers that are necessary for an expanding, dynamic, progressive economy than it has retained for itself.

The cost and availability of credit and money are determined in our national economy by the Federal Open-Market Committee.

This Committee, operating under powers granted by Congress, makes it possible for money to be easy or hard; to make interest rates high or low; or to create a climate that causes our Nation to progress or suffer a depression.

The 12 men composing the Federal Open-Market Committee consist of the 7 members of the Board of Governors of the Federal Reserve System and 5 representatives of the Federal Reserve banks, each of whom is selected by a board of 9 directors of the Federal Reserve bank he represents. The 9 directors consist of 6 members named by the private commercial banks and 3 named by the Board of Governors. A more correct statement is the Federal Open-Market Committee consists of the 7 members of the Board of Governors and 5 presidents of Federal Reserve banks who are obligated to the private bankers for their selection.

A comparable situation would be created if the railroad owners helped to fix freight rates by having their representatives members of the Interstate Commerce Commission.

The Federal Open-Market Committee can hold interest rates short- or long-term at any rate it desires.

Mr. Marriner S. Eccles was Chairman of the Federal Reserve Board longer than any other person. He was doubtless more familiar with every detail of the operations of the Federal Reserve System than any other person.

Mr. Eccles, in answer to questions—when he was before congressional committees—often stated that the Federal Open-Market Committee had the power to determine the availability of credit, interest rates, prices of Government bonds, and other important matters.

When Mr. Eccles was testifying before the House Committee on Banking and Currency, in March 1947—and while Senator MIKE MONRONEY was then a Member of the House and a member of the Banking and Currency Committee of the House—a question was asked by Mr. MONRONEY and an answer given by Mr. Eccles, as follows:

"Mr. MONRONEY. Do you mean to say that with your present Open-Market Committee, and the operation of the Federal Reserve, as it now stands, that, regardless of what the national income is, or other economic factors, you can guarantee to us that our interest rate will remain around 2.06 percent?

"Mr. ECCLES. We certainly can. We can guarantee that the interest rate, so far as the public debt is concerned, is where the Open-Market Committee of the Federal Reserve desires to put it."

It is recognized that the Government rates determine the commercial rates in the market.

If Congress will instruct the Open-Market Committee to hold the long-term rate at a certain point—or not allow it to go above a certain point—we will have a stable long-term mortgage rate that can be relied upon. It should not be above 2½ percent.

These hearings on H. R. 7839 on housing are incomplete because the Federal Open-Market Committee has not been heard from. Not one member of this important committee has been called as a witness.

Under our United States Constitution the 160 million people of the United States have entrusted to 435 Representatives in the House of Representatives, and 96 Members of the United States Senate, or 531 in all—the Congress—with all powers over money and credit.

These 531 have delegated these powers over money and credit to the 12 members of the Open-Market Committee. Who are these 12? Are they responsible to and serve the people? Do they serve the private commercial banks? How are they selected?

WHO ARE THE 12?

I doubt that any 12 Members of the United States Congress can name all 12 of the members of the Federal Open-Market Committee. This is no criticism of Congress; it is just a statement of a shocking fact. Members of Congress are busy people. They are forced to deal only with pressing problems. This has not become a pressing problem but it is becoming more pressing and urgent every day. Another depression caused by this group will make it the most urgent and pressing problem. Then a change will be made. We should not be compelled to suffer our country to go through another wringer—a horrible, crushing depression—in order to bring this important, neglected problem to the attention of Congress.

The policies and practices of the Open-Market Committee has been very beneficial to the private banks and money lenders since early 1951. Their policies were highly detrimental to the people in 1953. I believe their policies over a long period of time have favored the banks and were often injurious to the general welfare of the people.

It is impossible for our Committee on Banking and Currency to adequately consider this bill without dealing with the policies and practices of the Open-Market Committee.

SITUATION ON BOARD NOT IN PUBLIC INTEREST

The 7 members of the Board of Governors are selected 1 every 2 years—for a 14-year term. There is 1 unfilled vacancy on the Board now, leaving 6 members. The term of 1 of these 6 expired January 31, 1954, but he continues to serve until the place is filled. One of the 5 remaining has the power and privilege under a special law passed 2 or 3 years ago for his special benefit to quit the Board at any time and immediately accept a position with private banking interests, notwithstanding the general law that would require him to wait 2 years before accepting such employment. Congress was asked to pass this law with the understanding that this member would accept a definite position that Congress was advised had been offered to him. He did not accept any position but has continued to stay on the Board of Governors.

These Board members, although selected by the President, feel under no obligation to the Executive. All the present members were selected by Presidents Roosevelt and Truman. However, the President can appoint the Chairman when he desires to do so. Evidently he is satisfied with the present Chairman, Mr. Martin. The President has plenty of power to change the situation if Mr. Martin, the present Chairman, should decide to go against the Burgess' hard-money, high-interest policy. Mr. Martin could be replaced immediately by the President, appointing another of the present Board members Chairman, or the President could fill one of the vacancies on the Board of Governors and appoint the other person so appointed Chairman of the Board. The present Chairman is serving during good behavior. The one in charge of the administration's hard-money, high-interest policy, Dr. Randolph Burgess, the unconfirmed Deputy Secretary of the Treasury, determines good behavior in Mr. Martin's case.

WHO HOLDS BALANCE OF POWER?

So the Open-Market Committee at present is composed of 6 Board members—1 whose term has expired and 1 who has a job-hunting license for a position with the private banking interest that is affected by the decisions he makes, and 5 members selected by private banks. The job-hunting license holder of the Board holds the balance of power.

Even though the members of the Board of Governors recognize their duty to serve the public interest—I do not charge willful misconduct or corruption—just take a look at who surrounds them, looking over their shoulders, or sitting across the table, with the right to interrupt and advise them and some actually voting on the pending question while they are performing their duties to the public.

First, 12 presidents of the 12 Federal Reserve banks selected by private banks.

Second, 12 members of the Advisory Committee selected by private banks in the 12 Federal Reserve districts.

In that situation the 6 Board members are surrounded by 24 of the finest, most influential, and most logical persuaders in the United States who represent the private banks and who are obligated to the private banks for their selections.

If a mistake is made it is not likely that it will be made on the side of the public interest with this topheavy banker setup.

During the first half of 1953 the Burgess hard-money, high-interest policy forced long-term Government bonds down to 89. They—the money masters—became afraid and took an about-face but public confidence had been shaken—the damage had been done. These bonds are now back at par. They should be kept there. If they are protected interest rates will be reasonable and there will be plenty of money for housing.

This bill, H. R. 7839, provides for an increase of 1 percent in interest rates for housing. It provides the rate may be fixed at 2½ percent above the rate on long-term Government bonds. The traditional spread is 1½ percent. This bill arbitrarily raises it to 2½ percent.

This 1 percent increase, if allowed or forced on mortgage loans, will become a pat-

tern, and doubtless cause the ratio to spread clear across the debt board.

Let us see what that will do.

INCREASE ANNUAL PER CAPITA BURDEN, $200 PER FAMILY

All debts in our country, including the national debt, debts of States, counties, cities, political subdivisions, and private debts, including installment debts, aggregate about $640 billion. A 1 percent increase in interest rates will mean an added interest burden of $6.4 billion annually. The $6.4 billion divided among the 160 million people means an annual interest increase of $40 per capita or $200 for a family of five.

This family of five will have to buy $200 less food or $200 less in necessities of life in order to pay the $200 increase in interest rates.

The $200 extra for interest will probably go into the hands of those who do not need it and will not use it to buy goods and services. It will be taken from a family who would spend it and help the whole country.

A diversion of purchasing power results and the country is harmed.

TESTIMONY ABOUT 1 PERCENT INTEREST INCREASE

The printed hearings on the Housing Act of 1954, H. R. 7839, contain the testimony of T. B. King, Acting Assistant Deputy Administrator (Loan Guaranty), Department of Veterans' Benefits of the Veterans' Administration, March 5, 1954, commencing at page 215.

I am inserting herewith questions I asked Mr. King, commencing at page 224 of the hearings, and his replies thereto.

"Mr. PATMAN. Now, section 201 subparagraph (1), would give the President authority to set maximum interest rates on VA and FHA mortgages. That is the point you brought out.

"Mr. KING. Yes, sir.

"Mr. PATMAN. Heretofore Congress has always done that, has it not?

"Mr. KING. There was prescribed by the Congress several years back authority which permitted the Administrator of Veterans' Affairs, with the the concurrence of the Secretary of the Treasury——

"Mr. PATMAN. But it was for a definite amount, was it not?

"Mr. KING. Well, it featured a margin.

"Mr. PATMAN. That is right.

"Mr. KING. It featured a margin, but the margin was more restrictive than the one proposed here.

"Mr. PATMAN. This permits a 2½-percent increase in addition to the long-term rate?

"Mr. KING. Yes, sir; it contemplates that the market may need as high as a 2¼-percent spread.

"Mr. PATMAN. Isn't it a fact that in the past 1½ percent was the normal spread?

"Mr. KING. That is a point on which the Veterans' Administration insisted, until everybody got a little bit tired of hearing us insist on it, Congressman.

"Mr. PATMAN. I beg your pardon?

"Mr. KING. We maintained that point at considerable length, over the years.

"Mr. PATMAN. One-and-a-half percent?

"Mr. KING. Yes, sir. We were adverting primarily to the situation, the market situation, which was in vogue, or which was experienced, prior to the March 1951 accord between the Treasury and the Federal Reserve Board.

"Mr. PATMAN. So this is about a 75-percent increase?

"Mr. KING. No, sir; the point is that 1½ percent has not been reflected by experience since March 1951.

"Mr. PATMAN. Do you mean it should be more?

"Mr. KING. I say the market has demanded more.

"Mr. PATMAN. It should be more?

"Mr. KING. I say that under conditions which have been facing the lending industry, and due to the supply-and-demand factors which have obtained since March 1951, one would be hard put to insist that that 1½-percent pattern always would be adequate and should be maintained.

"Mr. PATMAN. The point I was attempting to make, though, was that regardless of the merits or demerits, an increase from 1½ to 2½ percent is about a 75-percent increase; is it not?

"Mr. KING. Yes, sir.

"Mr. PATMAN. Roughly?

"Mr. KING. Yes, sir.

"Mr. PATMAN. Now, in the case of public housing bonds, that is a similar situation, I assume. The Treasury established a rate of 2⅞ percent as the average yield on long-term Governments.

"Mr. KING. That is right.

"Mr. PATMAN. That rate we are discussing is 2½ percent above the long-term yield, isn't it?

"Mr. KING. Yes, sir.

"Mr. PATMAN. On this basis, the Veterans' Administration mortgages could go to about 5½ percent, and FHA mortgages could go to 6½ percent. FHA can charge between one-half and one percent premium, for instance. Conventional mortgages under that condition would be about 7 percent, wouldn't they?

"Mr. KING. I think they probably wouldn't be making as many conventional mortgages, Congressman.

"Mr. PATMAN. If they did, they would be at 7 percent; would they not?

"Mr. KING. Yes; usury laws in many States would hold it down to that.

"Mr. PATMAN. This looks like a sort of a heads-I-win-and-tails-you-lose deal, since when the interest rates on Government bonds are rising, this provision can be used to force up interest rates on mortgages. But if the yield on Governments drops, mortgage rates would not necessarily reflect that drop, because section 201 (1) does not govern the action of the FHA Commissioner. Under the authority we are giving him in title I of this bill, he could keep the rate on FHA mortgages at 6 percent, plus 1 percent for insurance, no matter how far the yield on Governments dropped. With such a rate on FHA mortgages, of course, no VA loans would be made. Do you agree with that?

"Mr. KING. Yes, sir.

"I would point out, Congressman, however, that as we sit here today, I believe these 15-year Governments yield 2½.

"Mr. PATMAN. At the particular time?

"Mr. KING. Yes, sir."

Mr. King makes the point that the market has demanded more interest since March 1951. This was caused by the Open-Market Committee permitting Government bonds to go down in price until they earned much more than 2½ percent, the long-term rate. In other words, the action of the Open-Market Committee permitted 2½-percent bonds to go down in value—as low as 89—which resulted in a corresponding rise in interest rates on these bonds which made the spread or margin much less than 1½ percent.

This situation has been changed as long-term 2½-percent bonds are now back at par where they were before the so-called accord between the Federal Reserve and Treasury. Therefore, there is no reason to provide for a higher interest rate in this bill. The fact is, the interest rates to veterans and others that were raised on their housing loans because of the reduction in price of the long-term Governments should now be changed—and it should be done immediately—to put the rates back where they were. There is reason to keep these rates up. The same argument that was used to justify the increases is applicable now to justify decreases. A reason cannot be given for holding up these rates, but flimsy excuses are given that will not hold water.

The mortgage lenders and investors will be unduly benefited by a 2½-percent interest spread provided in this bill. That is 1 percent more than the traditional rate and will result in giving the lenders, if it is granted, a bonus of that much—a pure bonus.

REGULATION X

This bill H. R. 7837, restores a regulation X by imposing controls. No emergency exists to justify such controls. The authority is vested in the administration under this bill to do the following:

1. Change or vary interest rates.
2. Change FHA downpayments.
3. Change mortgage amortization terms.
4. Change fees and charges.
5. Change maximum dollar limits per room or per unit.

The Administrator has already testified that he will make certain changes in the event this provision becomes a law.

It imposes rigid controls in peacetime and when no emergency exists justifying such controls.

WRIGHT PATMAN.

MARCH 28, 1954.

SPECIAL ORDER GRANTED

Mr. EBERHARTER asked and was given permission to address the House for 15 minutes today, following the special orders heretofore entered.

PROGRAM FOR TOMORROW AND WEDNESDAY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, it is my information that the conference report on the excise-tax bill has been agreed to. There is an April 1 deadline on that bill, so the conference report will be the first order of business tomorrow.

We will continue with the consideration of the independent offices appropriation bill, which has been under discussion today.

There has been some suggestion that if that is concluded early we might adopt the rule and start general debate on the housing bill. I have discussed the matter with the gentleman from Texas and with certain members of the committee. Of course, anything we do in that regard will necessarily have to be agreed to by the people interested.

CALENDAR WEDNESDAY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday of this week may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

DAIRY FARMERS ALSO NEED INVESTMENT MONEY

Mr. JOHNSON of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, unless Congress takes positive and immediate action on dairy price-support legislation, approximately 3 million dairy farmers will be shoved down much lower on the economic ladder after April 1. On April 1, according to his earlier announcement, Secretary Benson proposes to slash dairy price supports to 75 percent of parity.

In an effort to prevent Secretary Benson's announced administrative action, I have introduced a bill, H. R. 8388, to extend dairy price supports at 90 percent of parity for another 120 days after April 1.

For the past week I have been striving to do two things in the House on the dairy farmer's problem. First, I have attempted to explain to my colleagues certain aspects of the critical condition confronting dairy farmers. Secondly, I have been urging the House Agriculture Committee to hold a hearing on my bill—or a similar bill, if there is one—and report it out before April 1.

In order to pinpoint the economic plight of dairy farmers, let me cite some figures for my colleagues' consideration. In 1952 the price of milk averaged $4.71 per hundredweight in the United States. The national average, I must say, was higher than the price paid in my district. The 1952 gross income of dairy farmers was $4.6 billion. In 1953 the national average price of milk was $4.07 per hundredweight—this means that there was a drop of 64 cents per hundredweight in 1 year. Gross dairy farm income was $4.2 billion in 1953—which represents a decline of $400 million in 1 year.

In terms of percentages, the above figures prove that dairy farmers lost 13.7 percent on the unit price of milk, and their gross income shrunk by 9 percent. In western Wisconsin, where my district is located, gross dairy farm income dropped 15 percent.

I hope that I am not out of order at this point in asking my Republican colleagues if this is the way farmers are going to attain the promised 100 percent of parity in the market place? If a decline of 64 cents a hundredweight in the price of milk represents a forward step for 100 percent of parity in the market place, then my arithmetic teachers taught me the wrong methods of computing percentages. I am sure that most farmers, after looking at their milk checks, will be as puzzled as I am over this way of attaining full parity for their products.

The only reason I refer to this platform pledge of the Republican Party is that their presidential candidate said during the 1952 campaign that the Republican Party was pledged to sustain 90 percent price supports. If that promise was sincere—and I assume that it was—then my Republican colleagues have every reason to back me in my proposal to stop Secretary Benson's program on dairy supports from going into effect on April 1.

After all, my friends, Benson's 75 percent program is not the promised 90 percent program—or is there also a flexible and sliding scale in campaign promises?

However, to return to my subject, I wish to say that if Benson's program is allowed to go into effect and operate fully for a year, it is conservatively estimated that gross dairy farm income will drop another $600 million. The highest estimate that I have seen was a $1 billion decline in dairy income under the 75 percent support price program. Either figure—$600 million or $1 billion—is too much of a decline in dairy farmers' income to give assurance of stability in the dairy industry.

Perhaps some of my colleagues feel that this is a trifing sum and it involves the welfare of only 3 million farm families; therefore, Congress should not concern itself with such a petty problem.

I cannot accept this viewpoint. In fact, I do not accept it, for the reason that on March 18 the great majority of my Republican colleagues were very much concerned with a tax-revision bill that provided, among other things, some exemption for the stock-dividend income of 3,500,000 families that own nearly all of the Nation's corporation stocks.

It appears to be a strange coincidence that the number of families is about the same in the two groups that I am discussing. There are 3 million dairy-farmer families and 3,500,000 corporation-stock-owning families. The similarity of the two groups ends at this one, because the one group—and I refer to the dairy farmers—is going to "get it in the neck" while the other group, the stock-owning families, will get it in the pocketbook.

The House—by a very close margin, to be sure—voted to give the stock-owning families an estimated $1.2 billion in tax relief. Incidentially, the bulk of this exempted income will go to about 335,000 families that own 80 percent of all corporation stock. Yes, the stock-owning families will get their parity price support if the Senate and the President place the stamp of approval on the bill passed by the House.

I know what the proponents of the dividend-exemption program are going to say in defense of their position. The advocates of this special giveaway program contend that stock-owning families need tax relief so that this special group of families can invest more money to stimulate business and industry.

This rather unique economic theory may be correct under certain circumstances, but once again my arithmetic does not give me the same answer as that reached by my friends on the other side of the aisle. Perhaps I might be able to understand the arithmetic of my friends if I took a correspondence course in the "trickle down" school of economics.

I do know that dairy farmers also need working capital and investment money. Dairy farmers need working capital and investment money to buy machinery, tractor fuel, feed, seed, fertilizer, and the many other items required for modern farming. Dairy farmers, I wish to assure my friends, will not get the required working capital and investment money through Secretary Benson's 75 percent support program. If they do, then Einstein should hire some of the flexible price support mathematicians to solve his puzzling equations.

As long as dairy farmers' cost of operation remains at a high level, while their incomes are steadily declining, this group will not be in a strong position to buy the inventories that are moving slowly on the shelves of Main Street merchants in rural America. Furthermore, I doubt very much if there will be any need for the Nation's select group of stock-owning families to put their extra cash in industries that service and supply farmers with goods and commodities. It will not be necessary to invest money in these industries because there will not be enough cash customers at the retail level to wet a salesman's tongue.

In closing, I wish to say that if Congress can see fit to consider and act on the sad plight of our investing families, then certainly it should be ready to give some consideration to legislation for stabilizing the dairy industry at this time.

I hope the Agriculture Committee takes favorable action on this problem before the dairy farmers' economic condition becomes even more critical.

PARITY PRICE SUPPORT OF DAIRY PRODUCTS

Mr. METCALF. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. METCALF. Mr. Speaker, in introducing H. R. 8388 to extend dairy price supports at the present level for 120 days, the gentleman from Wisconsin [Mr. JOHNSON] is rendering a great service to the Nation in attempting to have supports on dairy products considered in the light of a comprehensive farm program rather than have Congress enact piecemeal legislation on this vital question.

Not only must this Congress determine whether we are going to continue to have a firm price-support program for basic farm products but we are going to have to integrate supports with a sensible ratio between feed grains and meat and dairy equivalents. We are going to be required to plan for the disposal of some of the surpluses that has accumulated so that they can be used to feed children and adults of our country who are now eating less than a minimum for adequate nutrition. We are going to have to come to some sort of production payments for perishables such as I have suggested in my bill, H. R. 4276, in order that the consumers will have an opportunity to utilize farm products. We are going to have to make an important decision about foreign markets. These broad questions raise many other interrelated problems. The whole farm program should be carefully worked out.

An essential part of the broad program is protection of the dairy industry. It is irresponsible and shortsighted to let this basic American industry collapse at a time when this Congress is about ready to enact comprehensive farm legislation. The suggestion of the gentleman from Wisconsin should be followed. There is yet time to pass H. R. 8388 and extend 90-percent supports on dairy products for 120 days.

Mr. McCARTHY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. McCARTHY. Mr. Speaker, I wish to call to the attention of the House a measure introduced by the gentleman from Wisconsin [Mr. JOHNSON], calling for a 4-month extension of the present support program for dairy products. The dairy industry has tried to work out a program of self-help and has made recommendations to the Congress. The 4-month extension proposed by the gentleman from Wisconsin will give the Congress time to consider the proposals of the dairy industry, and to take action to make these proposals effective if the Congress considers them wise or workable, or to take such other action as it may consider desirable.

The proposal of the gentleman from Wisconsin will give the Republican Party a 4-month extension of time, during which they will have opportunity to fulfill campaign promises and subsequent promises to the farmers.

It should be noted that whereas the support level announced last year on dairy products was 90 percent of parity, the percentage of parity actually received was only 84. The total drop in price for all milk sold from farms from 1952 to 1953 was 13.5 percent. The loss in income was approximately $400 million, even though volume of sales in 1953 increased by 5.4 percent.

In 1952 Republican candidates said that the Republicans were for 100 percent of parity, with guaranteed price supports at 90 percent of parity. Republican leaders applauded Republican papers in the Middle West headlined "Ike for 100 Percent of Parity." The Republican candidate said that crops such as oats, barley, rye, and soybeans should be given the same protection as that available to major cash crops and that the Republicans could and would find a means of supporting even perishable agricultural commodities.

I cannot accept the Republican position that it has a moral obligation to stand by its campaign promises only until January 1954.

Mr. Speaker, I ask unanimous consent that the gentleman from Alabama [Mr. ELLIOTT] be given permission to extend his remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. ELLIOTT. Mr. Speaker, I wish to state that it is with great interest that I have watched the fight of the gentleman from Wisconsin [Mr. JOHNSON] for a hearing on his bill H. R. 8388, which would keep dairy prices at 90 percent of parity for 120 days or until such time as the Agriculture Committee is ready to report the total farm bill for the Congress to pass. His bill is temporary legislation to take care of dairy support prices until the total farm bill is passed.

Mr. Speaker, I feel at this time that I can support H. R. 8388, as this bill is only a temporary measure which will take care of the dairy farmer for 120 days, or from April 1, 1954, to July 31, 1954. This bill will cushion the impact of the order of the Secretary of Agriculture until a general farm program can be enacted into law.

I trust that the House Agriculture Committee will act so that this temporary legislation can be passed by the Congress prior to April 1.

COMMODITY HOARDS

Mr. SHELLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SHELLEY. Mr. Speaker, some of the greatest works in English literature are, on the surface, lightly written humorous tales or rhymes. They have become classics not only because of their amusement value, but because beneath the surface they attacked and laid bare some particular moral, social, or political plague upon mankind. A child reading Gulliver's Travels or the Mother Goose Rhymes may not realize that his pleasant little book is, in reality, cunning, biting satire aimed at various forms of tyranny and social injustice which existed at the time the words were written. Most of us need to be reminded of that fact now. But in Jonathan Swift's day the fictional Gulliver whom he created became a powerful force against political tyranny.

Mr. Speaker, the clipping I hold in my hand may not be great literature. However, its humorous lines call attention to one of the most serious problems and one of the most shameful conditions existing in this country today. The article is entitled "Here's Simple Way To Solve That Surplus Food Problem." It was written by Miss Inez Robb, a Scripps-Howard feature writer, and appeared in the San Francisco News on February 24 of this year. Miss Robb's little essay gaily outlines her plan for declaring a 48-hour holiday during which Government stores of cheese and butter would be marketed at cut rates. Under the Robb plan a chain reaction on old-fashioned American appetites would soon eat up not only the excess butter and cheese but most of our other agricultural surpluses as well.

I am not appearing here as an advocate of Miss Robb's novel scheme. However, I do think that there are two important lessons to be learned on a serious reading of this article. One is a moral and economic lesson—and that is that these so-called surpluses are not really surplus or excess at all. A better word for them is "hoards." They are more like the pile of gold the typical miser hides away and secretly gloats over while his neighbors—and he himself in some cases—starve to death, than they are surplus in fact. To prove that I have learned that lesson I intend in the future to call them by their right name. From now on, as far as I am concerned, they are not agricultural surpluses, nor even the administration's new name for the same old thing—a stockpile—they are simply an unused hoard.

The second lesson is a political one. Speaking of the present administration, Miss Robb says that she offers her plan to "lend the boys a helping hand during their passing tenure in Washington, D. C." I say in all seriousness that the passing will be mighty fast if the administration does not quickly learn the moral and economic lesson hidden away with their piles of butter and wheat. The hoard is increasing at an alarming rate on the one hand, while on the other hand a far more alarming increase in the numbers of unemployed and needy goes on at the same time. The lesson is plain: it is a moral shame to permit the hoards to accumulate while American citizens lack food. It is an economic crime to fail to take steps to channel available supply into an existing market. It is political suicide to think that the American people do not realize this situation and are not demanding that something be done about it.

Up to this point the administration has failed to offer any concrete plan for making increased quantities of the food hoard available to those who need it. They have offered no concrete plan for whittling down the hoard by a general marketing program which would accomplish that purpose. We have promises of such a plan. But whispers from the Agriculture Department indicate that the Agricultural Marketing Service keeps going around in circles and, think as hard as they can, keep winding up where they started. And where do you think that is? Shameful as it may be and no matter what name they apply, every suggestion seems to carry the earmarks of the much maligned Brannan plan, as is evidenced in the plan incorporated in H. R. 7775, the National Wool Act of 1954, with its system of compensatory payments to wool growers. Perhaps that explains why no overall program has been advanced by the Secretary of Agriculture for controlling the growth of the commodity hoard.

I am not an agricultural economist. I am not here today to espouse the Brannan plan or any other specific proposal for a long-range agricultural marketing and production program which would foster the production of sufficient foodstuffs to provide an adequate diet for every man, woman, and child in the United States, while preventing the accumulation of warehousefuls of food not reaching the stomachs of those who need it. However, I do have enough mathematical ability to equate a full warehouse with millions of human stomachs which need the food in that warehouse. A large number of legislative proposals are now before Congress aimed at completing that equation and bringing part of our hoard of food to the tables of the unemployed, those on public-assistance rolls, those in private and public institutions, and to people entitled to various forms of charitable help. It is high time for Congress and the appropriate committees of the House and Senate to begin immediate hearings on these proposals so that a bill can be passed to take care of the present urgent need. Action on the administration's proposed long-range farm program, which contains no adequate provision for

the immediate problem, can well afford to wait on this emergency legislation. We have not hesitated in the past to speed bills through to provide relief for the hungry in foreign countries. We should not give less sympathetic treatment to our own needy.

It may be embarrassing in some respects to recognize that the need exists in this land of plenty. But we can no more hide the growing numbers of unemployed and needy by failing to act for their relief than we can disguise the growing hoard of food they could be eating by calling it a stockpile. In my book we stockpile something for use in time of need. Now is the time of need for millions of people in this country. Now is the time to prove that we do not actually have a real surplus of food by feeding it to those who cannot now afford to buy it at exaggerated prices—exaggerated by the very system which builds the so-called stockpile.

Mr. Speaker, one other point comes to mind. Under present law the Secretary of Agriculture has ample authority to expand greatly the present inadequate distribution of food through school-lunch programs, orphanages, hospitals, and various other institutions and agencies. How can we explain to starving Indians in New Mexico, or Arizona, or Nebraska, for instance, or to hungry migrant farm workers in California, the delay in using that authority? I have heard of no emergency request by the Secretary of Agriculture for funds to expand that program beyond its present extremely limited scope. I have heard of no voluntary action on his part to step up the food distribution program in surplus labor areas, for another example, which are rapidly growing in number and are really not surplus labor areas but areas of heavy unemployment with wage earners' families suffering as a result. I call upon the administration to take such action without delay as one means of relieving the distress that many of our fellow citizens are faced with.

To lend emphasis to these remarks I ask that Miss Robb's timely article be printed in the RECORD and I now submit it for that purpose:

[From the San Francisco News of February 22, 1954]

HERE'S SIMPLE WAY TO SOLVE THAT SURPLUS FOOD PROBLEM

(By Inez Robb)

Why I should be trying to help the Republicans at this point is more than I can figure out, what with me and mine all accused of treason and worse, if any.

But here today and gone tomorrow, and it happens in politics, too. So why not lend the boys a helping hand during their passing tenure in Washington, D. C.?

Anyway, if I can dodge the dead cats tossed by the wild jackals of the GOP long enough to get my plan on paper, I guarantee to get Secretary of Agriculture Benson out of his leaky boat, which is more than the Republicans have been able to do to date. May even get him elected Queen of the May.

Let us begin with the basic fact that the population of these United States stands at 160 million men, women, and children, all equipped with stomachs and all devoted to the proposition that all Americans were created for the express purpose of filling them three times a day.

Now let us go on to the basic fact that the Government has stashed away in its lockers 270 million pounds of butter, 282 million pounds of cheddar cheese, and 469,500 pounds of dried milk, or a mere soupcon among 160 million stomachs.

Since a lot of citizens are dead set against giving this surplus to hungry people overseas, let us give it to ourselves.

All the Government need to do is declare a 48-hour holiday and toss the surplus butter and cheese on the market at 50 cents a pound. All this surplus now in danger of growing rancid in Government bins only amounts to a mite more than 1.7 pounds of butter and cheese per person (give the dried milk as a bonus, pro rata), or hardly enough to bait a trap.

If this country could ever again get its mitts on 50-cent butter, it would immediately think of baking potatoes. There is nothing we Americans love so much as Idaho bakers, swimming in their own weight of butter.

Give us that 50-cent butter, and we'll clean out the potato market, too, thereby disposing of any possible surplus in that department.

Now, a good baked potato with plenty of 50-cent butter leads as night to day to a good, thick, juicy steak. (Stop, I'm killing myself.)

With 50-cent butter in the bag, even for a mere 48-hour period, many a householder would feel he could afford the aforementioned steak.

That would mean a run on the packinghouses, and resultant prosperity on the prairies clear down to Texas. The cattle raisers would be as happy as the potato men.

Well, you can't have steak and baked potatoes without a lettuce and tomato salad, which would give southern growers and hothouses a shot of adrenalin that'll take 'em all to Hawaii for the holidays.

Just think of the byproducts, too: All that vegetable oil, salt, pepper, vinegar, and mustard for french dressing.

Why, farmers will be delirious. Cadillacs will walk off showroom floors into fields of clover knee deep.

For dessert: Apple pie and cheese. What else? Sprinkle the powdered milk in the coffee substitute: It can't make it taste any worse.

In 48 hours we have gotten rid of the surplus, Uncle Sam has part of his money back, we are right back to 87-cent butter, no one has been harmed, everyone has had a dream meal, the farmers are as happy as farmers ever are, Mr. Benson is running for Mr. America, and everyone loves Republicans.

It's a foolproof plan. That's why I think the politicians won't have any.

THE TASK FORCE ON WATER RESOURCES

The SPEAKER. Under the previous order of the House, the gentleman from Washington [Mr. MAGNUSON] is recognized for 15 minutes.

Mr. MAGNUSON. Mr. Speaker, the Hoover Commission has announced that its task force on water resources and power will hold a series of four public hearings late this spring. These hearings will be in San Francisco, Denver, Chattanooga, and New York City.

A primary interest of this task force, obviously, is the production and distribution of electric energy. Its field of study also includes navigation, flood control, water pollution, reclamation, water supply, and other phases of water resources.

I should like to point out to the House that out in my country, within the waters of the Columbia-Snake River system, is about 40 percent of this Nation's hydroelectric power potential.

The people of the Pacific Northwest recognize the importance of this tremendous resource. The public-power advocates recognize it. The private-power lobby recognizes it. The Federal Government recognizes it—or at least it used to. But the Hoover Commission chooses to ignore it.

The task force on water resources and power has not scheduled a hearing within 500 miles of a single drop of water in the Columbia River Basin. I cannot understand how it can hope to achieve a thorough understanding of its subject if it fails to consider the most important water-resource area on the continent. I hope that the task force can rearrange its schedule to include a hearing in the Pacific Northwest.

A great many people, Mr. Speaker, are not surprised at the task force's apparent lack of interest in getting at all of the facts. For there is a broad suspicion that the Hoover Commission's report on water resources and power is as well as written right now. I sincerely hope that this is not another case in which the administration seeks a particular finding and has weighted the fact-finding body with men whose views guarantee the desired end.

It has been pointed out before that the task force on water resources and power does not contain a single man who can be called favorable to the principle of public power. On the other hand, it contains a number of men who have actively opposed public-power development.

Now, I cannot complain of the caliber of the 26 men appointed last fall by former President Hoover to serve on this most important task force. But I wish he had included at least 1 or 2 men who did not share his well-known views against public power, and who could have given the task force a semblance of openmindedness by writing a token minority report.

I have been trying to determine just what it is the task force on water resources and power is trying to do. Is it out to promote economy, efficiency, and improve service in the transaction of public business in the executive branch of the Government, as the act creating the Hoover Commission stipulates? Or is its aim to recommend a new power policy for the Nation?

If it is the latter, I should like to remind the Members that the recommendation of policy is somewhat beyond the generally accepted purview of the Commission itself, let alone within the authority of the task force.

I would remind them that the Commission's function, as defined by law, is to investigate and recommend changes in the present organization and modus operandi of the executive branch. They do not have a congressional mandate to suggest changes in Government policy per se. If they venture beyond suggesting changes in organization and methods, they will be sailing on seas of dubious legality.

The task force on water resources and power is, so far as I can ascertain, the only one of the subgroups of the Hoover

Commission holding public hearings outside of Washington, D. C. It has asked for $330,945 for the 1954–55 biennium—more than twice as much as the next highest budgeted group.

I would suggest, Mr. Speaker, that since we are practically assured in advance that the task force will issue a report saying the Government ought to get out of the power business, we might spend our money to better advantage.

Mr. HOLIFIELD. Mr. Speaker, will the gentleman yield?

Mr. MAGNUSON. I yield.

Mr. HOLIFIELD. As a member of the so-called Hoover Commission I struggled for some 90 days to get people placed on the 27-member task force to represent the public power position in our country. I felt that people should be on the task force that studied this problem who represent not only private power but public power in order that the people might have a fair evaluation of the task force report when it is made. I was unsuccessful in getting even one person placed on that task force to represent the public power viewpoint. As a substitute, the motion was adopted that public hearings would be held in the United States on this subject so that people who believed in that point of view could bring forward their position. I agree with the gentleman who now has the floor that the four hearings in the United States are entirely inadequate. They are not placed in positions, in my opinion, which are readily acceptable to many people who are interested in this matter. Instead of having 4 hearings there ought to be 15 or 20 hearings held all over the Nation on this great problem.

I am glad to see that the gentleman is alerted to the fact that his district in the great Northwest that is so dependent on public power is among many other districts which have been ignored by the task force in setting up their scheduled hearings.

Mr. MAGNUSON. I thank the gentleman, and I wish to take this opportunity to say that I am familiar with his efforts to attempt to get the public power viewpoint represented. I recognize that even this limited number of hearings is the result of the efforts of the gentleman from California to obtain some sort of a hearing for people who are interested in the public power concept.

ECONOMIC CONDITIONS

The SPEAKER pro tempore (Mr. JONAS of North Carolina). Under previous order of the House, the gentleman from Indiana [Mr. BROWNSON] is recognized for 15 minutes.

Mr. BROWNSON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BROWNSON. Mr. Speaker, last Wednesday President Eisenhower, with characteristic calmness and sincerity, pointed out that he saw nothing on the economic front that called for a slam-bang emergency program.

The New York Times of Thursday morning, March 25, reports that the administration's view of the business situation, judged by the remarks of the President and his Cabinet officers, is one of alert watchfulness and confidence. This confidence, the Times reports, is based on the belief that the downswing will correct itself with the help of the easier credit that has been provided, the tax revisions now being made, and the other economic proposals, such as the housing program and broadened social security and unemployment compensation.

The New York Times notes further:

The latest United States Consumers Price Index showed a drop of 0.2 percent, and the expert view is that any further declines in the coming months will be slight and gradual. The evidence of price stability was seen in the fact that the consumer price average has moved within a range of one-half of 1 percent in the last 8 months.

The administration view that action, such as a big public-works program, is not warranted now is shared by some members of the business community. Leading spokesmen for the Committee for Economic Development, for example, have proposed recession curbs as a long-run policy, but see no need for drastic measures now.

The CONGRESSIONAL RECORDS of February 1949 and February and March 1950 make interesting reading in the light of today's economic transition from war production to peacetime consumption. One has to read carefully to make sure that he does not confuse the cast of characters involved.

In February 1949, when the total employed was 2,483,000 fewer than today's employment, two or three Republican Members were sincerely disturbed by local and statewide unemployment to the point where they urged that the Truman administration do something about the state of the national economy.

The distinguished gentleman from Illinois, the late Mr. Sabath, speaking on the Export Control Act of 1949, is recorded in the CONGRESSIONAL RECORD, volume 95, part 1, page 1368, as making a statement which with the change of very few words would apply to the situation today. I quote:

Of course this matter [of unemployment] was exploited by my Republican friends. Yesterday, three of them arose and claimed, with a great deal of glee, that we are facing a recession. Well, my friends, that just isn't true. The country is prosperous and will continue to be prosperous and the people will continue to be employed.

Yes, we have a little unemployment. We know that from 8 to 10 percent of our employable people ordinarily are unemployed during peacetimes. Now we have over 58 million people employed, and they will continue to be employed if we retain the raw materials that are needed for production, as contemplated in this bill. Some gentlemen say there are nearly 2 million unemployed. Well, that is not even a quarter of what we ordinarily have in peacetimes, percentage-wise. Actually, it may be said that there is no unemployment. Look at the newspapers here, in New York, in Chicago, and in every other city and you will find page after page of help wanted, labor wanted, manpower wanted. There is a demand for more labor, and everybody who desires to work may find employment, and I hope at good wages. Shortly, we will pass the minimum wage bill and that will encourage still greater employment.

The best statistics I have been able to find indicate that employment in February 1949 was 57,168,000 as contrasted with employment in February 1954 of 59,651,000.

Another interesting contribution to the debate on the same day was that from another gentleman from Illinois, Mr. Buckley, who was highly critical of the peddlers of gloom and doom, even though they were neither so vociferous or so plentiful as they are today. He said—and I quote:

I, for one, am getting tired of hearing this talk about a depression and the unemployment that usually follows. The Republican minority is attempting to drive a sense of fear and insecurity into the American people merely because the will of the mass of Americans manifested itself in the last election—and the Democrats were justifiably victorious. Of course, the only thing that the American people have to fear is fear itself. If certain Members of Congress, and others, continue harping on the coming of a depression, they will have their wish. They will succeed—if they continue—by striking fear into the hearts of the American people. The result will be a curtailment in buying, and the logical cutback in production that necessarily follows, with the end result leading to unemployment. When this occurs the Republicans will be exceedingly happy, because it was the 80th Republican Congress that attempted to start this vicious economic process.

I firmly believe that there is no reason for such talk today, because we are merely in the process of a peacetime adjustment to our hard-fought victory in the last war. I do not think that it is proper for a Member of Congress to stand up in the House of Representatives and alarm the people by telling them that they are facing a panic or depression. The only motive behind these unwarranted and unjustifiable cries of slump and depression is one of delay in order to hamper labor unions who will be seeking new contracts shortly. It is merely a scheme on the part of Republicans to preclude the laboring people from asking for a fourth round of wage increases.

The future outlook is bright. We have great employment in the United States today. Whatever slowing down happens to exist in the employment situation as it occurs today results normally when new labor contracts are being negotiated, and management acts cautiously.

Thank God that we in America are wise enough and courageous enough to have such a great administration and such a truly great leader as the President of the United States. We all have confidence in him. He will, with God's Providence and the aid of the Democratic Eighty-first Congress, dispel all fears of depression and unemployment, to the end that the people of America and their Nation will again be sound and solvent as they have been in the past under Democratic leadership.

May I repeat that in February 1949, only 57,168,000 were employed. In February 1954, 59,651,000 were employed. In other words, employment now is 2,483,000 higher than it was when the two distinguished Democrats, including the distinguished dean of the Democratic delegation, whom I have quoted, pleaded for cooperation and understanding in the transition from wartime to peacetime economy. I hope that cooperation and understanding will prevail in the months ahead.

Incidentally, is it not rather unusual that so much emphasis is placed on employment figures, today, and that so little attention is paid to the more important statistics on employment?

In February 1950, employment had dropped to 56,953,000. In this last peacetime spring there was no excited or widespread Democrat effort to induce President Truman to develop emergency leaf-raking programs. Yet, employment in this February 1954 is 2,698,000 higher than it was in February 1950, just before the outbreak of the Korean war. Incidentally, unemployment in February 1950, was at an all time high since World War II, 4,684,000, as compared with February this year at 3,671,000.

The year 1951 was a war year with production for defense accelerating rapidly. There were 58,905,000 employed that February, 746,000 fewer than were employed in February of this year.

"Don't let them take it away," and "You never had it so good" were the Democratic campaign slogans for 1952. It was a good year with wartime employment reaching a new high of 59,752,000. This employment was only 101,000 higher than the employment level for this February 1954, which is deplored by these same sloganeers as a depression year. This downward trend of one-sixth of 1 percent, or .00166 from the high wartime employment of 1952 would not seem too high a price to pay for the readjustment occasioned by peace. Unemployment, incidentally, was 2,086,000 even in this banner year of arms production.

The first year of the Eisenhower administration broke all records. In 1953 employment reached a postwar high of 60,664,000 and unemployment reached a low point of 1,788,000. The end of the shooting war and the reduction of the arms production program has resulted in a rise in unemployment as people leave war industries to locate jobs in factories producing for peace.

It is interesting to note that, due to changes in the sampling technique this spring, employment shows a rise of 300,000 in the January-February period and, at the same time, unemployment shows an increase of 600,000. In other words, 900,000 more people announced that they wanted to become a part of the labor force. Three hundred thousand of them apparently secured jobs right away, the other 600,000 are still looking but the day they decided to take a job they become a part of the statistics of unemployment.

An editorial in the Washington Post of Thursday, March 25, 1954, presents what is to me a sensible middle-of-the-road attitude toward the present transition period:

RECESSION ANTIDOTE

Secretary of Commerce Weeks was justified in expressing confidence about the American economy in his address before the Canadian Club of Toronto. Many foreigners have been unduly pessimistic about the American business outlook because they remember the great depression so well. Mr. Weeks performed a service in setting forth the fundamental facts about the strength of the economy and by reminding his audience that no American administration could stand by idly in the face of serious trouble.

The economic debate is over the question of whether it is appropriate for the Government to intervene now or wait for more evidence of a recession. President Eisenhower yesterday placed himself firmly against emergency action now. Senator DOUGLAS and many other Democrats believe that the Government should prime the pump now by giving tax relief to consumers. In his press conference, the President seemed to modify his earlier promise that if March employment figures—which will be available in about 3 weeks—do not show improvement it would be time to consider emergency Government action.

It is true, as the President said, that we do not have a depression, but the drop in production and the rise in unemployment certainly spell decline or recession. Mr. Weeks' own figures in his Toronto speech—that gross national product in the first quarter of 1954 is running "a bit below $360 billion" compared with three hundred and sixty-three billion in the last quarter of 1953 and three hundred and seventy-one billion in the second quarter of 1953—show pretty clearly the extent of the downturn.

The timing of Government action is a political as well as an economic question, and a Democratic administration might time it sooner than a Republican administration. In 1949, however, when the situation was similar, President Truman refused to accept the advice of many in his own party to intervene, and the recession was overcome through normal workings of the economy. The recovery demonstrated that the so-called built-in stabilizers are not entirely imaginary. This recession may not follow the pattern of the 1949 recession, although the similarities in many respects are striking, and the built-in stabilizers may not be strong enough in this situation. But it is well to remember that, as the Committee for Economic Development said this week, moderate ups and downs are inevitable while "deep and dragging depressions" are avoidable.

It serves no purpose, however, for administration spokesmen to express undue optimism, for one one knows what is in store. We are experiencing a business decline in certain areas of the economy of some proportions. It is not an alarming decline, and the situation is quite different from that of 1929. But if the time has not come for Government intervention, the time has come for urgent short-run and long-run planning on means to strengthen the economy. Preventive medicine taken in time could easily avert a long stay in the hospital.

Last Wednesday, at a noon luncheon of the Washington chapter of the American Marketing Association, I heard a constructive, soundly optimistic speech by one of our country's outstanding authorities on marketing, Arno H. Johnson, vice president and director of research for the J. Walter Thompson Co. of New York. Mr. Johnson's challenge to marketing as a result of our change to a consumption economy is likewise a challenge to those of us in Congress who believe in the future of any expanding economy.

This speech is so significant in its economic import that I will read it almost in full. Mr. Johnson, an active marketing expert, not an academic economist or a politician, said:

There are internal growth pressures in our dynamic and changing American economy that point to an immediate opportunity for substantial improvements in our living standards—improvements that can mean expanding markets for consumer and industrial goods and services.

We do not need to have any sustained downswing in our economy just because defense needs are less or because inflation pressures have abated—these are favorable rather than unfavorable factors and can lead to new levels of prosperity. But the attainment of new levels of prosperity will depend largely on our recognition that expanding consumption through mass movements to better living standards is the key to keeping our production and employment high—and is the key also to a strong defense and a balanced budget.

This is a challenge to marketing because the change from a production economy, heavily influenced by government, to a consumption economy of individual enterprise places the burden on selling, on finding needs and creating desires and on improving products or developing new products to meet these needs and potential desires.

We have experienced the miracle of production—now, through the magic of consumption, we have the opportunity to keep our economy dynamic and growing. The magic of consumption offers an opportunity for utilizing our increased productive ability in the positive form of a better standard of living.

ONLY A ONE AND ONE-HALF-PERCENT INCREASE IN CONSUMER BUYING IN 1954 IS NEEDED TO OFFSET DEFENSE CUTS

Much of the pessimism for 1954 is predicated on expected cut-backs in Federal cash expenditures for defense. It is not generally realized that it would take an increase of only 1½ percent in the consumer standard of living to offset this decline in 1954. Federal cash outlays for the calendar year 1953 were $76.5 billion and for 1954 are expected to be about $73.0 billion—a drop of $3.5 billion. Consumer purchases, from the 1953 level of $230 billion, would need to increase only 1½ percent to offset this much of a drop. Just a 5-percent increase in living standards could offset more than $10 billion cut in defense expenditures—a far deeper cut than is now contemplated. Furthermore, the President's message of January 28, 1954 indicated that "more than $5 billion of tax savings are now being left with the American people to increase their purchasing power this year.

In building, therefore, for continued and increasing prosperity in 1954–55 the Nation faces a major task right now—that of selling a higher standard of living to our American population so that we can offset decreased Government purchases with increased consumer purchases.

But there is immediate opportunity for a far greater increase in consumer demand than the amount needed to offset defense cuts.

A 10-PERCENT INCREASE POSSIBLE IN 1954–55 AND A THIRD HIGHER STANDARD OF LIVING BY 1960

Instead of the widely predicted depression my analysis of our present productive ability and consumer purchasing power points to just the opposite—to an immediate opportunity for a 10-percent increase in sales of consumer goods and services and thus in our standard of living within the next 2 years, 1954–55. And this 10-percent increase in consumer demand for goods and services could have a truly magical effect on Government finances and lowered tax rates; on our ability to provide a strong defense; and on industrial markets through stimulating needs for further improvement in productive facilities.

An increase, for example, of only 10 percent in total consumer purchases of goods and services in 1954–55 from the level of $230 billion in 1953 would so broaden the various bases for taxes that we could balance the Federal budget—even provide a surplus from the $75 billion such a level of business would yield at the lower tax rates, eliminate excess profits taxes; reduce corporate profit tax rate from 52 percent to 47 percent; re-

duce personal tax rates by 10 percent; and provide $50 billion for continued strong defense.

Beyond the immediate opportunity for a 10-percent increase in 1954–55, we have the broader real opportunity for a third higher standard of living by 1960.

In terms of constant 1953 dollars, our per capita productivity increased from $1,560 in 1940 to $2,380 in 1944 (real gross national product divided by population). A similar per capita productivity for our 170 million population in 1960 could mean a gross national product of $425 billion by 1960 in terms of 1953 dollars, and could provide the purchasing power for a standard of living approximately one-third higher than the peak level of 1953.

Production and consumption—opportunity for ⅓ higher standard of living

[Billions—In 1953 prices]

	Prewar, 1940	War peak, 1944	Postwar low, 1947	Defense, 1953	Expanding economy opportunity, 1960
Gross national product	$205.7	$329.3	$282.8	$367.2	$425.0
Defense	4.9	146.2	16.2	51.8	45.0
Other Government expense	26.7	14.6	20.7	33.1	30.0
Private investment	32.0	7.1	49.8	52.5	50.0
Personal consumption	142.1	161.4	196.0	229.8	300.0
Durable goods	16.1	9.7	25.8	30.1	40.0
Nondurable goods	80.5	96.6	107.5	121.2	160.0
Services	45.6	55.1	62.7	78.4	100.0
Population (millions)	132.1	138.4	144.1	159.7	179.0
GNP per capita	$1,560	$2,380	$1,960	$2,300	$2,380

The level of productivity necessary to provide for a continued strong defense and an increase of one-third in the standard of living by 1960 should be considered a minimum opportunity because it would require only reaching the production level actually reached per capita in 1944 when our tools of production were far less adequate. An increase of only 2 percent per year in production over the levels reached in 1953 will mean a production of over $425 billion annually by 1960.

CAN WE CONSUME ONE-THIRD MORE BY 1960?

Purchasing power is created by production. Our increased productivity already has made possible an advance of 62 percent since 1940 in our total real standard of living—even after adjustment for inflation, higher taxes, and heavy defense needs, and in spite of many crippling restrictions on production and incentive. Further utilization of our productive ability per capita can continue to add to our real purchasing power. If we utilize our productive ability only up to the point proved possible in 1944, we can have the purchasing power to give our people a standard of living one-third higher than at present by 1960, and still maintain a strong defense.

At approximately this point in his prepared remarks Mr. Arno H. Johnson interposed the idea that many observers of our economy are too concerned with the fluctuations of the durable-goods producers who constitute only 13 percent of our overall economic strength. In fact, Mr. Johnson continued by noting that retailers of this country employ more people behind their counters alone than does the entire durable-goods segment of industry.

We have talked too much of stabilizing our economy—of returning to normal. What we really want is not stabilization or stagnation, not regression to previous normals of heavy unemployment, share-the-wealth panacea, or mature economy, but instead a healthy, dynamic growth in both production and consumption in line with our rapidly growing ability. That means a higher standard of living based on our proven higher productive capability.

Recession is not impossible, but neither is it inevitable.

Hesitancy of business management in carrying out plans for aggressive marketing, unnecessary restriction of credit, exaggerated fears of effects of cuts in Government expenditures could start a downward cycle, largely psychological. We could talk ourselves into depression. Our standard of living is so far above the bare subsistence level that a large proportion of current purchases could be deferred for some time at the will of the consumer without real hardship. This could happen in spite of record high purchasing power and many strong pressures for an expanding instead of contracting standard of living.

That is why distribution, with its aggressive selling and advertising, must play a critically important part in our economy during the transition from expanding Government and defense expenditures to declining Government purchases. Our standard of living must expand to offset these drops. But this analysis will show that the opportunity exists over the next few years for expansion far beyond the immediate amount necessary to offset defense drops.

FACTORS POINTING TO INCREASED SALES OPPORTUNITIES IN 1954–55

Here are some of the facts that point to increased sales opportunities:

1. Present trends in productivity point to a 1954–55 level of $387 billion of total production or an increase of 5 percent over the level of $367.2 billion reached in 1953—a growth of about $10 billion per year. In the 24 years from 1929 to 1953 our total production, in terms of 1953 constant dollars, grew from $175.9 billion in the "boom" year 1929 to $367.2 billion in 1953 or an average increase of $8 billion per year. In the 7 years since the end of World War II production has grown from $283.4 billion in 1946 to $367.2 billion in 1953 or an average addition of $12 billion per year.

The growth to $387 billion by 1955, therefore, which would seem to be a minimum expectation in line with our past increases in productivity would mean about $267 billion of disposable personal income after taxes—enough to increase consumption by over 10 percent above the 1953 average level of $230 billion up to $256 billion and still allow a high level of over $20 billion in personal savings (over 5 times the level of personal savings of $3.7 billion in prewar 1940 and well over the 1953 rate of $18 billion).

2. By 1960 a production per capita no greater than we actually reached during the war peak of 1944, or 16 years earlier, would produce an economy of $425 billion—enough to provide for a continued strong defense and the purchasing power for a third higher market for consumer goods and services than in 1953.

3. Average employment for the year 1953 reached an all time high of 61,929,000 and the nonagricultural employment at 55,245,000 was about 19 million higher than the prewar average of 36,140,000 in 1939. Employment in February 1954, at 60,051,000, while lower than in February 1953, was higher than in January, February, or March of 1952 when business was considered to be at a very high level of defense expenditure stimulation.

4. Even a maximum cut of $10 billion in defense expenditures would be small in relation to the drastic cuts we experienced after the end of World War II. Between the war peak of 1944 and the postwar low of 1947 we survived a cut in defense expenditures the equal of $130 billion in present prices—or about 13 times the maximum of $10 billion cut feared now. Yet our total real standard of living in 1947 advanced by 38 percent over our prewar highest level of 1940—from $142.1 billion of consumer purchases in 1940 to $196 billion in 1947 in terms of 1953 prices.

It is not generally recognized that now it would take less than a 5 percent increase in consumer purchases over the 1953 level of $230 billion to offset a cut of $10 billion in Government purchases. Yet the level of consumer purchasing power now is such that consumer purchases could be expanded much more than this 5 percent through aggressive marketing and advertising.

5. As of January 1954, total real purchasing power, after adjustment for present prices and taxes, was at the highest level in history and was 77 percent greater than in prewar 1939. Disposable income, after taxes, in January 1954 was some $5 billion higher than in January 1953—yet retail sales were down about 3 percent. In 1954–55 real purchasing power could be more than 10 percent above 1953. Real purchasing power continued to increase right to the end of 1953 when the index of wages and salaries in December was 4 percent above the same month of 1952 while consumer prices were less than 1 percent higher.

6. Early in 1953 there were 5½ times as many families (consumer spending units) with incomes over $3,000 as there were in 1941. The 31.9 million with incomes over $3,000 represented 59 percent of the 54 million total, whereas in 1941 the 5.7 million represented only 14¼ of the 39.3 million total.

7. Discretionary spending power, which reached a level of $136 billion in 1953, was over five times as great as the $26.5 billion in 1940. That is the surplus spending power over and above what would be required to supply a per capita standard of living for basic necessities of food, clothing, and shelter equivalent to the 1940 actual standard of living after taking into account present prices. This could reach $160 billion in 1954–55, or six times the prewar level.

8. Consumer credit—installment sales, charge accounts, etc.—could expand by 50 percent without becoming overextended in relation to discretionary income. The present level of consumer credit at over $28 billion worries some—it is over three times the $8 billion level of 1940. But consumer discretionary spending power has increased more than fivefold. The ratio of consumer credit to discretionary income now is only 21 percent compared with 31 percent in 1940.

9. Total consumer debt is low in relation to disposable income and accumulated savings. At $89 billion, at the start of 1953, total consumer debt (including farm and home mortgages) represented only 35 percent of the $250 billion of accumulated savings and 36 percent of disposable income after taxes. In 1940 the ratio was 49 percent of savings and 44 percent of disposable income. In 1929 debt stood at the doubly high ratio

of 72 percent of savings. This total debt now could expand one-third before reaching 1940 standards. Total consumer debt is in strong hands. Those with incomes over $5,000 owe 57 percent of this debt but hold also 56 percent of the liquid assets and represent 53 percent of current income. The middle-income group of $2,000–$3,000, with 41 percent of current income, owe 36 percent of the consumer debt and hold 31 percent of liquid assets. The low-income group, under $2,000, owe only 7 percent of the consumer debt but have 13 percent of liquid assets.

10. Liquid assets of consumers at over $200 billion, not including corporate stocks or bonds, now total four times the level of 1940 with double the real purchasing power. The increase alone of $150 billion in consumer liquid assets from $50 billion in 1940 to over $200 billion in 1954 was 1⅓ times the March 1, 1954, value of all corporate stocks listed on the New York Stock Exchange, yet in spite of this vast purchasing power only 7 percent own any corporate stock.

11. Liquid assets of business also are four times the 1940 level with double the purchasing power. The net working capital of corporations, after taking into account the increase in liabilities or short-term debt, is over three times the level of 1940.

Long-term corporate debt, which represented a ratio of 45 percent of our national production in 1929 and 43 percent in 1940, now is at a low level of under 20 percent of a year's national production—long-term corporate debt could double before 1940 relationships to production.

Corporate earnings before taxes in the third quarter of 1953 were at the high rate of $43.3 billion—an increase of 17 percent over the same period of 1952—with net, after taxes, at $19.6 billion, or nearly four times the 1939 level of $5 billion. This net, after taxes, was 52 percent higher than the $13.9 billion in 1946, the year of the stock market dip, and was 20 percent higher than the $17½ billion in the third quarter of 1952. Also net corporate earnings are double the prewar ratio to net long-term corporate debt (in 1940 the ratio was 15 percent; in 1953 the ratio was 30 percent).

12. The high level of consumer purchasing power and consumer savings is further indicated by the continued low redemption of matured savings bonds. In the first 2 months of 1954, January–February, $1,565,000,000 of E-bonds matured. Only $266 million, or 17 percent, were cashed in. The other 83 percent was reinvested by being allowed to continue. And in the same 2 month sales of new E- and H-savings-bonds were 13 percent above the same period of 1953.

All of these factors indicate that a relatively small increase in consumer purchases would more than offset any threatened cut in Government expenditures and that the level of purchasing power is high enough to warrant more aggressive marketing.

Mr. Johnson digressed from his prepared address to note, as an example of the potential increase in consumption available, the situation facing the automobile industry. He noted that there are 30 million single car families in the United States. Of these 30 million automobiles, 16 million are driven to work every working day. In 10 million of these cases, a woman qualified to drive an automobile, is left at home, stranded, without automotive transportation.

Mr. Johnson quoted the experience of an Evansville, Ind., Chevrolet dealer who had started making sales calls on the wives of 174 doctors and dentists who were thus left stranded without transportation. Very early in his sales program he had already sold 17 automobiles.

Mr. Johnson continued:

HIDDEN PRESSURES FOR EXPANSION IN STANDARD OF LIVING AND PRODUCTION OVER THE NEXT FEW YEARS

There are seven powerful, but largely hidden, internal pressures for expansion building up in our economy. In some the pressure is nearing explosive strength. All will have a strong influence during the next few years, both culturally and spiritually as well as in the material sense.

These hidden pressures are:

1. Change in discretionary spending power of the mass of the population—now over 5 times as great as in 1940.

Discretionary spending power (the amount of income over and above what would be needed to supply the 1940 per capita level of such necessities as food, clothing, and shelter) is over 5 times as great as in 1940 and represents 55 percent of disposable income after taxes compared with 35 percent prewar. As the population learns how to use this new purchasing power the standard of living can expand into increased markets for our production.

2. Change in the age makeup of our population—with over 65 percent more children under 5 than in 1940—and the continued rapid growth of population.

This huge increase in the number of children soon will cause public outcry against inadequate school facilities and shortage of teachers as well as juvenile delinquency. It will affect housing requirements, food consumption, and may phases of family living. It will force extensive construction and equipment of new classrooms and recreational facilities.

Population continues to grow at the rate of 2,752,000 per year and the 4 million children born in 1953 will mark the highest point in our history with an increase of about 2½ percent over 1952.

3. Change in the education level of our people—with 80 percent more high-school graduates in our adult population than in 1940.

The rapid increase in the proportion of our population with a high school or better education is accelerating the pressure for higher standards of living as well as resistance to any lowering of standards.

4. Change in obsolescence and age of our dwellings—with 67 percent now over 20 years old and 50 percent over 30 years old.

The majority of our 48 million dwellings were built when families had incomes that hardly covered the bare necessities of living, when only 7 percent of our adults were high-school graduates, when there were less than a quarter as many passenger cars and few home comforts or conveniences. Tastes, incomes, education, and modern needs have so changed that a pressure of obsolescence can be far more important to new housing needs than the pressure of additional population.

Major changes in purchasing power, education, and ownership of automobiles and appliances have taken place in the last 13 years since 1940. These rapid changes superimposed on housing conditions of a past generation are creating hidden pressures. While new construction in the last few years has been providing approximately 1 million new homes annually, this has just barely taken care of the growth in the number of families. There is a huge and really unmeasurable opportunity beyond the providing of new homes for new families and that is in the replacing or remodeling of obsolete homes to bring the whole housing standards more in line with the present modern levels of living and education, and in line with the changed distribution of families by income groups.

5. Change in number of motor vehicles, with 75 percent more vehicles than in 1940 putting added pressure on roads, streets, garages, and parking facilities that were not adequate even for the lesser number of vehicles in 1940.

With 56 million motor vehicles on the road in 1954, or 75 percent more than the 32 million in 1940, the pressure for action to relieve congestion will become intense. Proper rebuilding of our roads, parking facilities, and city streets to accommodate this substantial increase in motor vehicles obviously offers a broad need for new construction. Most of our homes were not built for a motor age—few, for example, have two car garages.

And we are far from saturation in ownership of motor vehicles. Only 60 percent of our 54 million consumer spending units own cars—about 22 million still have no car.

6. Change in our farm population—with a drop of 7½ million since 1940 and a net shift of about 14 million to nonfarm population adding to the need for a high level of nonagricultural production and employment.

This shift has not resulted in lowered farm production—on the contrary, total farm output increased by 31 percent between 1940 and 1953 with the output per man-hour increasing by 59 percent because of rapid progress in farm mechanization and in the increased yields of improved farming practices. The increase in farm output per man hour in the 13 years from 1940 to 1953 was 1¾ times as great as in the previous 30 years from 1910 to 1940. It is estimated that American agriculture could increase production by one-fifth within the next 5 years—if a 20 percent increase in demand could be created.

This amazing increase in farm productivity along with a shift of much of the marginal production or low income farm population to industrial areas has resulted in major shifts upward in the standard of living and purchasing power of the remaining farm families. Eighty-eight percent have electric service, for example, compared with 11 percent prewar.

7. Population shift to the suburbs—with a population growth in suburban areas of large cities five times as rapid as in the rest of the country outside of metropolitan areas.

Between 1940 and 1953 population in the suburban portion of 162 metropolitan areas grew 46 percent while the central cities grew 18 percent and the rest of the United States, outside of the 162 metropolitan areas, increased only 9 percent.

This rapid shift reflects changing living standards, changing shopping habits, and the increasing trend toward family living. Pressure will continue for suburban shopping centers and for multiple-car ownership among suburban families.

PRODUCTION AND CONSUMPTION POTENTIALS FAVOR DYNAMIC GROWTH, BUT INTENSIFIED SELLING IS NEEDED IN 1954–55 TO ENERGIZE THE MAGIC OF CONSUMPTION

These facts on present purchasing power and on the hidden pressures for further sound expansion of our economy could be supported in great detail. They present both a major opportunity and a major challenge to management. The task is that of educating the American people to accept and work for the higher standard of living their productive ability warrants. As the standard of living advances along with productivity the new or expanded markets thus created will have a magical influence on industrial growth and progress, on private financing, and on government revenues.

Intensified selling in 1954–55 is needed to energize this magic of consumption.

I hope that responsible government will continue to work to maintain a climate offering incentives to business to develop the dynamic selling program which will produce the magic of consumption needed to change from the

war-time defense economy of production to the prosperous consumer economy ahead.

TELL THE PEOPLE THE FACTS ABOUT THE ATOMIC-HYDROGEN WEAPONS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from California [Mr. HOLIFIELD] is recognized for 20 minutes.

Mr. HOLIFIELD. Mr. Speaker, as almost everyone knows, a series of atomic-hydrogen tests were scheduled for March and April, to be held on some of the various atoll islands in the Kwajalein-Bikini group. Senator PASTORE, of Rhode Island, and I visited the test islands as observers during the early and middle part of the month of February. As members of the Joint Committee on Atomic Energy, we acknowledge our great responsibility to the Congress and the people to guard the public interest and report our findings.

We regret that we are restricted by the Atomic Energy Act and by security regulations based on that law, from making a complete report on the current tests. I know that such a law is necessary to protect vital information from potential or present enemies. I know that security regulations must be formulated to implement the administration of the law.

The Atomic Energy Commission is charged with primary security in the field of atomic energy. The members of our joint committee are also charged with preserving classified information received from the Atomic Energy Commission or the Department of Defense. In the main, I believe our committee has discharged these responsibilities with great credit.

The members are approached almost daily for information regarding matters which are classified. It is hard to continuously refuse to answer questions from representatives of the press, television, and radio. We have here in Washington, some of the sharpest minds and the most able men in the world, representing our great news-gathering agencies. Often we would like to give them a story because we know and like them, but we cannot do it because of security.

It is doubly hard when one has honest doubts regarding the merit of some of these restrictions. But regardless of our own personal views as to the merit of certain restrictions, we feel honor bound to respect them until they are removed by the proper authority.

On my return from Eniwetok I addressed a letter to Chairman Sterling Cole regarding radiation exposure suffered by the 28 United States personnel and some 264 of the native residents of nearby islands:

MARCH 18, 1954.

Hon. W. STERLING COLE,
Chairman, Joint Committtee on Atomic Energy,
House of Representatives,
Washington, D. C.

DEAR MR. CHAIRMAN: On March 15 Senator PASTORE and I visited Kwajalein Island and personally investigated the care being given the native population which was evacuated from its home islands because of radiation exposure from a recent atomic test. We interviewed a number of the islanders and observed all of them closely. As laymen, we could detect no visual evidences of radiation exposure, nor did we notice anything unusual about them. They seemed to be normal, happy, and in the best of spirits.

After our visit to the barracks where island residents are housed, we received testimony from medical and evacuation team personnel. The evidence shows that naval vessels evacuated the natives promptly. They are being given medical care of the highest quality.

It is true that some of the residents of the islands received radiation exposure considerably in excess of the tolerances set for workers in atomic energy plants. All scientific and medical testimony given to date seems to indicate that no permanent injury will occur as a result of this level of exposure. A competent team of medical experts is keeping the entire group under daily observation. The evacuees are well housed in civilian barracks on Kwajalein Island. Their diet is superior to their regular food supply on their home islands. A complete supply of clothing has been issued to each of them, and they are thoroughly enjoying their first experience with American athletic games, movies, and other types of recreation. Our observations included the 28 American technicians as well as the islanders.

As nearly as we can determine, the unexpected radiation exposure was a result of (a) a larger explosion than expected, and (b) unpredictable shifts in the winds at high altitudes.

Senator PASTORE and I are submitting herewith a detailed report and transcript of the hearing.

I returned to Washington on the next plane, and Senator PASTORE and staff members left for Japan.

Sincerely yours,

CHET HOLIFIELD,
Member of Congress.

I was not in the islands when the news broke on the alleged radiation burns of the Japanese fishermen. From the time they were exposed, several days elapsed before they reached Japan and the news was released. In the meantime, they were traveling on a contaminated boat and therefore exposed to constant secondary radiation. If they were in the path of downwind contamination and within 80 miles, as they claimed, of the point of explosion, it is possible that they were severely burned.

They are receiving the most careful attention by our radiation experts in Japan and we will know officially very soon the extent of their injuries.

In regard to the United States personnel, 28 received a very mild radiation exposure. I am happy to say that our medical experts—and we have some of the finest in the world—have examined these men and have declared that they will have absolutely no dangerous effects.

I visited the hospital and barracks facilities where these 28 men and close to 300 natives are now being examined and observed daily. I interviewed some of the people who were exposed and observed carefully their appearance and actions. As a layman, I saw no visible evidence of radiation—no burns, skin lesions, or falling hair. None of them are suffering any physical pain.

The doctors in charge gave us a very detailed report in regard to radiation exposure and effects.

Most of the native islanders were exposed to a greater extent than the United States military personnel. Some of the islanders were exposed considerably beyond what we term the "safe-tolerance level" which we require for atomic plant and laboratory technicians. You must remember that we are supercautious in setting our tolerance level.

The radiological experts have assured us that they do not believe any permanent injury will occur to the natives as a result of this overdose of radiation. A daily check, however, will be maintained for several months.

The question arises as to why these people were exposed to this radiation? We have had many test explosions and careful safeguards have always been taken to prevent radiation exposure. There are several factors involved in this unfortunate occurrence.

In the first place, this was not the ordinary atomic bomb with which we are somewhat familiar. We are moving rapidly into a new and strange field. In spite of very careful scientific computations and predictions, the March 1 explosion was much larger than predicted.

In the second place, a drastic directional shift in upper altitude wind currents occurred sometime after the hour of the explosion. This caused some radio-active dust to be blown into an area which was lightly populated.

Safety areas will be enlarged by many hundreds of square miles when test explosions of this type are repeated in the future.

While I was in the South Pacific, I flew in a helicopter over a very large hole in the ocean floor. As I flew back and forth over this hole, or crater, I could not help but wonder at this tremendous force which man has made and which would cause such an excavation.

The test explosion which caused the crater did completely destroy one of the test islands. The hole was at least a mile in diameter and almost 200 feet deep in the center. An estimate has been made that it would take more than 4 million truck loads of gravel to fill this gigantic hole. These are facts which are almost unbelievable, but I can testify that they are true.

The question has been asked, if a hydrogen bomb of this type was exploded at an effective height over the Los Angeles City Hall, how much area would be destroyed or affected?

It would appear, based on scientific estimates, that the area in a circle with a 3-mile radius from the city hall would be completely destroyed. Beyond the perimeter of this destroyed area would be a larger circle based on a 7-mile radius which would receive moderate to severe damage; light damage would be felt as far east as Montebello, north to Pasadena, west to Beverly Hills, south to Compton. The intense heat would cause numerous fires to break out which could not be extinguished, because of destroyed water mains, loss of fire fighting personnel and equipment and streets filled with debris.

It is impossible to estimate the potential damage by radiation to those

fortunate enough to survive the original blast, as winds, rain, or heavy fog would have an unpredictable effect on the deposit of radiation.

I am pleased to note that President Eisenhower has declassified the motion picture films of the first atomic-hydrogen test explosion made in November 1952. I hope that he will tell the public as soon as possible about the March 1st test.

This is a subject about which I am deeply concerned. I believe that every man, woman, and child in the world should know the magnitude of the power which was exerted by recent explosions. I believe they should be told again and again of the pattern of destruction in square miles which would occur if similar or larger devices were exploded over any modern city, such as Washington, D. C., New York City, or my own home city—Los Angeles.

It is important that the people of the world know the strength of these new weapons.

Please believe me, I do not want to scare people or cause them to become hysterical, but I do believe there has been to date an apathy and indifference in the land, based on ignorance of the terrifying progress we have made in mass devastation weapons.

I believe if this ignorance were dispelled by giving the people the facts in plain words, there would be a much better understanding of the kind of world we live in.

With this better understanding, people might be more impressed with the gravity of international tensions between the two great world powers. With knowledge of the terrible results which would occur through destruction of our cities, and the loss of millions of lives, there would be a surging and irresistible demand for international peace. Such a demand would compel the political leaders of the nations of the world to sit down at the conference table and settle their differences peacefully.

I believe this demand would be so great and so compelling that no group of men would dare take the steps which would plunge the world into a third world war with atomic-hydrogen weapons.

I have written letters to the President of the United States, the Chairman of the Atomic Energy Commission and the Chairman of the Joint Committee on Atomic Energy to review carefully our present security regulations. I have urged them to tell the people of the world in plain, understandable words, exactly what these new weapons will do.

I believe the atomic-hydrogen test films, which are still secret, should be shown to the people.

I am not talking about telling our enemies how to build a bomb, nor how many bombs we possess, nor what methods we may use to deliver and detonate those bombs.

I am talking about the effects which will occur when such weapons are used over cities or military targets. I believe these facts can be given to the people without endangering our security. I believe they should be stated clearly and plainly by the most responsible source and I believe that source is the President of the United States, Dwight D. Eisenhower.

I have confidence in the maturity of the American people. I believe if they know the kind of a world we are living in, they will be willing to make the sacrifices necessary to preserve our Democratic way of life.

I believe if the people of other nations know specificallly the terrible consequences of an atomic-hydrogen war, they too, will take the steps necessary to prevent aggressive moves on the part of their leaders, which might start world war III.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I am glad to yield to the distinguished gentleman.

Mr. McCORMACK. I am glad I am on the floor while the gentleman is making his remarks, because the gentleman is a member of the Joint Committee on Atomic Energy and has been for 3 or 4 years.

Mr. HOLIFIELD. Since 1946, when it was first established.

Mr. McCORMACK. There is no Member of the House better versed on the situation that he has just expressed himself about than the gentleman from California who is addressing the House, and very few throughout the country who have more knowledge. I have listened with interest to what the gentleman has said and what he has not said, and also upon his expressions and speculated as to what is in his mind. I obtained the full import of the message the gentleman is trying to convey. What has concerned me, and I would like to have the gentleman's views on this, is the defense of our people against a sneak attack. I think the gentleman from California will agree that the democracies—we will not argue whether it is right or wrong—but the democracies, having their special origin, will not engage in a sneak attack. Is that correct?

Mr. HOLIFIELD. That is correct.

Mr. McCORMACK. We know that dictatorships will. I think the gentleman from California will agree to that. So that if a sneak attack comes, it is going to come from a potential enemy, from Communist sources, and not from democratic sources. What concerns me is, recognizing the great power that we have offensively to retaliate and impose punishment upon any aggressor, what is the situation in our own country in relation to the defense of our own people in our own cities. Can the gentleman give any information on that?

Mr. HOLIFIELD. I regret that I cannot give as much information as I would like to give on that subject. I have asked for a special order tomorrow in which I intend to comment, among other things, on civil defense. I know the gentleman will be interested in what I will have to say tomorrow on that subject, because I think it is important that the people know the truth. It is not because I want to bring unpleasant facts to the people or to cause alarm. It is because I think if the people of the world will know the truth, the truth will have a chance to make them free. I cannot speak on that subject at this time. The subject of the military defense of our Nation is a subject that requires much time and possibly a great deal more knowledge than I have to give at this time. But it certainly is an important subject and one that I am deeply concerned with at this time. There is no effective defense against the type of attack which the gentleman has mentioned.

Mr. McCORMACK. Assuming that is so, certainly we can reduce by our means of defense the percentage of attacking planes getting through.

Mr. HOLIFIELD. Every possible means should be taken to put ourselves in the best defensive position possible.

Mr. McCORMACK. That affects us all, not as Democrats or Republicans, but as Americans.

I remember not so many months ago Secretary Wilson stating that 70 percent of the attacking planes could get through. I remember also our distinguished colleague from Missouri, the chairman of the Committee on the Armed Services, making a statement that appeared in the press not so many weeks ago as to the large percentage of planes that could get through with their destructive bombs inflicting their punishment and their destruction upon our cities and our people wherever they might be.

I remember also reading in a national magazine Mr. Peterson, who is the head of the Civilian Defense Administration, stating in substance that we have 15 minutes' notice. I commend this gentleman for the statement that he made and I refer to it to emphasize the shortness of the notice the American people would have. Fifteen minutes' notice means that the attacking plane is from 60 to 75 miles away from one of our big cities before being attacked.

I believe in power. I have repeatedly said that the only thing the Communists respect is what they fear, and they fear a strength greater than they possess. We are dealing with a wily antagonist. We cannot weigh the probabilities in the mind of a Communist; we cannot have confidence in the word of a Communist; whatever agreements they make will be based upon expediency only because it benefits them at the time, and they are prepared to break it when it is advisable for them to do so. I realize that we have great strength so far as attack is concerned, but I am worried about our defensiveness.

What is our situation in case of a sneak attack in defending our cities and our people? Because, as I picture it—and I am expressing my own views—when the attack comes they will hit every place they can; they will try to attack every big city in the country particularly in the North; and if 60 to 70 percent of the attacking planes can get through, that means between 10 million and 30 million Americans in the first attack will be killed or wounded. They are going to try to destroy our will to fight in one attack if the sneak attack is made; and we know if one is made it is going to come from the other side; it is not going to be made by us.

I also know that President Killian of the Massachusetts Institute of Technology in an article appearing in a national magazine only a few months ago stated that we could establish defenses that would reduce the percentage of attacking planes getting through to from 5 to 10 percent. I am not trying to quote his words exactly, but as I remember them. He said it would cost not $20 billion, but probably less than $2 billion to provide the interceptor planes and other means of defense.

We should build our defenses as quickly as possible. Not only should we be powerful offensively, but we should also be powerful from a defensive angle, because, I repeat, the only thing Communists respect is what they fear and they fear strength greater than they possess.

Mr. HOLIFIELD. I could not agree with the gentleman more completely in the ideas he has expressed so vividly. When we think that in World War II with 40,000 planes and 4 years of warfare we dropped upon the cities of our enemies 2,700,000 tons of explosives, and when we think that today scientists tell us we can make one bomb which will have the same or greater explosive force than all of the bombs dropped in World War II, then I say we are facing a different kind of world, a world in which no financial or other sacrifice is too great for those who value liberty and freedom.

Mr. McCORMACK. I thoroughly agree with the gentleman and I thank him for the powerful remarks he made today.

INTERNATIONAL LONGSHOREMEN'S ASSOCIATION

The SPEAKER pro tempore (Mr. JONAS of North Carolina). Under special order heretofore entered, the gentleman from Louisiana [Mr. WILLIS] is recognized for 12 minutes.

Mr. WILLIS. Mr. Speaker, the International Longshoremen's Association strike proves two things. The first is that we should be permitted to produce more sugar in continental United States. And the second is that the bills recently introduced by Members of the Louisiana and Florida delegations, both in this body and in the Senate, increasing the quota of the mainland cane-sugar area from 500,000 to 600,000 tons should be considered immediately by the House Committee on Agriculture and adopted into law without delay.

I hold in my hand this morning's issue of the Wall Street Journal. It carries a news article entitled "Striking Longshoremen Move To Halt Diversion of Cargo From New York— East Coast Tie-Up Possible." The article states:

As New York City's waterfront tie-up dragged into its fourth week, the striking International Longshoremen's Association was stepping up efforts to halt diversion of cargoes to other ports.

As a protective measure, cargo originally destined for New York has been diverted to other ports, principally Baltimore and Philadelphia. In order to illustrate the importance of this shift of incoming cargo from one port to another, the article points out:

During the past 3 weeks, cargo coming into Baltimore has jumped 600 percent, while outgoing shipments have increased 400 percent.

As a countermove the news article then states:

Officials of all ILA Atlantic and Gulf coast ports will meet in Philadelphia today at a special conference where they may be asked to shut down their ports completely in support of the New York strike. Baltimore dockworkers, after reversing themselves three times over the weekend, decided yesterday to handle no more ships diverted from New York.

Sugar is probably the first commodity to feel the impact of a strike. This is easy to understand because both the cane and beet areas combined produce less than 30 percent of the sugar consumed in continental United States.

In order to show that I am not exaggerating the situation in respect to sugar, I want to read from another news article in this morning's Wall Street Journal, entitled "Sales of Refined in New York Suspended."

This particular news item significantly points out the following:

The demand became so great for refined sugar as new arrivals of raws were curbed by the dock strike that at least one refiner had run out of sugar on Friday and another was virtually out.

Large shipments of raw sugar come from Cuba and Puerto Rico and enter the New York and other eastern ports where the raws are refined for consumption by the industrial users, the bakeries, the housewives, and so forth.

This article further states:

Some deliveries have been made in the New York area from the Philadelphia refineries of the American and National. But American is out of sugar beyond the business booked and National is virtually out.

Already, Mr. Speaker, the law of supply and demand is coming into play pricewise, because this news item then points out:

Against 8.65-cent contracts booked recently the refiners were making deliveries to the extent of their ability and they sold some sugar at the higher prevailing base price of 8.80 cents, but there will be very little more sugar available for sale even at the higher price.

Now, Mr. Speaker, I am neither a prophet nor the son of a prophet. I cannot tell how long this strike will last, and I would venture to guess that no living person can either. I can and do most emphatically say, however, that if the strike continues for an unreasonable length of time and if it should spread to all coastal and gulf ports, as suggested in the first article from which I have quoted, and if shipments are thus shut out from Cuba, Puerto Rico, and elsewhere, our limited beet supplies will soon disappear, and then no one will be able to obtain sugar anywhere in the United States at any price.

Perhaps the east coast strike will be settled promptly and satisfactorily all the way around. I hope so, but then maybe it will not; and even if it is, who knows but that another one might develop in the gulf coast area or on the west coast, to say nothing of possible strikes in Cuba and Puerto Rico. Therefore, we cannot get away from the desperate threat of strikes to our sugar supplies.

Mr. Speaker, this is truly an ironic situation.

Under the Sugar Act of 1948, the quota of the mainland cane-sugar area was established at 500,000 tons. The 1952 crop from that area was 605,000 tons and the 1953 crop was about 640,000 tons. The higher level of production was due to larger yields per acre made possible by the splendid research program participated in by the USDA and without any acreage increase. In fact, the acreage has varied no more than 2 percent in the last 5 years, and we are producing 20,000 acres less now than in 1948. In the face of this, however, the 1954 proportionate-share determination required that the acreage in 1954 be about 8 percent less than in 1953.

If a quota increase is not granted this year, the USDA will impose an additional acreage cut of much more drastic proportions. Thus the quota under the Sugar Act is 500,000; in January of 1954 we had a carryover of 190,000 tons, leaving a marketable balance of 1954 of 310,000 tons, with an expected production of about 630,000 tons. All of this, Mr. Speaker, simply means that unless we obtain immediate relief the farmers in Louisiana and Florida are faced with a plow-up of thousands of acres of sugarcane lands.

And to add insult to injury, you must realize two things. In the first place, sugar production is so expensive that a new crop cannot profitably be planted every year. For example in Louisiana, cane planted in the fall of 1953 will be harvested as plant cane in 1954 and then will be recultivated and harvested as stubble cane in 1955 and again in 1956, and even beyond that in Florida. A plow-up, therefore, would not only reduce the acreage, but would result in the destruction of the farmers' capital investment. And in the second place, unlike other farmers, most sugarcane growers produce no other cash crop and do not have a satisfactory alternative cash crop which they can grow on the acreage taken out of cane.

Sugar consumption has increased about 20 percent since the enactment of the Sugar Act of 1948, due primarily to population increase. The mainland cane area needs a 20-percent increase in the quota it received under the Sugar Act. It is obvious that the proposed additional 100,000 tons is less than the amount needed to satisfy increased consumption resulting from 1 year's population increase.

The bills introduced would satisfy a modest requirement to meet existing conditions.

Mr. Speaker, sugar legislation has always been on a bipartisan basis, and so it should remain. In fact, I think it is fair for me to say that this administration is committed to fair treatment of our Louisiana sugar farmers. Following standard procedure, the bills introduced in the House and in the Senate have been referred to the Secretary of Agriculture for an expression of the

views of the Department and of the administration. A strong, favorable position by Secretary Benson would greatly assist and, I believe, would assure adoption of the identical bills which have been introduced. I think it is entirely proper for me to express not only the hope but the expectation that the Secretary of Agriculture will not only approve but will affirmatively advocate passage of this legislation, whose importance is doubled in the light of the strike on the east coast.

EXERCISING UNBRIDLED POWER

The SPEAKER pro tempore. Under special order heretofore entered, the gentleman from Pennsylvania [Mr. EBERHARTER] is recognized for 15 minutes.

Mr. EBERHARTER. Mr. Speaker, a few weeks ago I addressed this body briefly on the subject of the power of the Attorney General to label organizations which he dislikes as subversive. At the time I expressed my concern at the action which Attorney General Brownell had taken against the National Lawyers Guild, and I indicated my doubts that such a power could be entrusted to such a partisan politician as Mr. Brownell.

Since my previous remarks I have looked into the subject further. While I am convinced that the Attorney General is acting in this matter without the sanction of any congressional authority, I assumed that this extraordinary assertion of power must at least be confined within certain very narrow limits, in that its exercise would be limited to a very small number of organizations. I discovered to the contrary that the Attorney General had listed about 200 organizations, and that the standards which determine whether or not an organization can be listed have no limits at all. Under the terms of the Executive order, an organization is to be proscribed if it is "totalitarian, Fascist, Communist, or subversive." Our experience for the last 20 years has amply demonstrated that these words as currently used do not specifically define anything, and that they are in fact nothing more than epithets of disapproval.

In discussing this very question, Mr. Justice Douglas said the following:

> The charge that these organizations are subversive could be clearly defined. But how can anyone in the context of the Executive order say what it means? It apparently does not necessarily mean totalitarian, Fascist, or Communist, because they are separately listed. Does it mean an organization with Socialist ideas? There are some who lump Socialists and Communists together. Does it mean an organization that thinks the lot of some peasants has been improved under Soviet auspices? Does it include an organization that is against the action of the United Nations in Korea? Does it embrace a group which on some issues of international policy alines itself with the Soviet viewpoint? Does it mean a group which has unwittingly become the tool for Soviet propaganda? Does it mean one into whose membership some Communists have infiltrated? Or does it describe only an organization which under the guise of honorable activities serves as a front for Communist activities?
>
> No one can tell from the Executive order what meaning is intended. No one can tell from the records of the cases which one the Attorney General applied. The charge is flexible; it will mean one thing to one officer, another to someone else. It will be given meaning according to the predilections of the prosecutor: Subversive to some will be synonymous with radical; subversive to others will be synonymous with Communist. It can be expanded to include those who depart from the orthodox party line—to those whose words and actions (though completely loyal) do not conform to the orthodox view on foreign or domestic policy. These flexible standards, which vary with the mood or political philosophy of the prosecutor, are weapons which can be made as sharp or as blunt as the occasion requires. Since they are subject to grave abuse, they have no place in our system of law. When we employ them, we plant within our body politic the virus of the totalitarian ideology which we oppose.

Mr. Speaker, I had been informed that the procedure under the Executive order had been changed, and that now organizations were granted a notice and hearing. This made me feel somewhat better. Even if the standards were vague and impossible to understand, I knew the importance of giving a man a chance to face his accuser and to cross-examine him. I know, too, how valuable it is to make any person who has something to say against an individual or organization, stand up and say it in open court. My experience as a lawyer had taught me more than once that when an accuser takes the oath and faces the accused in public, he frequently changes his story.

I examined the procedures under this new Executive order, and I discovered that the notice and hearing provided by the Executive order, like so many other things under the loyalty program, was the new-fangled kind, the kind that an old-fashioned lawyer like myself finds it hard to understand.

In the first place, the notice and hearing is such that if the Attorney General chooses, in any particular case, he need not give a hearing at all. A case starts off, not by the Attorney General presenting his evidence, but by his asking the organization a great many questions about everything the organization has done since it has been in existence. The organization can then get a hearing, if the Attorney General likes the answers.

Then what happens at the hearing? Does the organization then get a chance to hear the witnesses against it and cross-examine them? Well, maybe and maybe not. The Attorney General can, if he sees fit to rely on confidential information, so arrange matters that the only witnesses at the hearing would be those produced by the organization. In other words, the Attorney General says to the organization, I've got something on you—if you want to, you can come on in and prove to me that you're "O. K."

Now this is a different kind of hearing than the kind any of the Members of this House who are lawyers are accustomed to. Indeed, the procedure sounds more like a plea for mercy than a hearing. The organization is practically adjudged guilty to begin with, and if it crawls enough to please the Attorney General, he might have the grace to grant them absolution.

Which brings me to the last aspect of this so-called hearing procedure. Who is it that makes the final decision as to whether or not the organizations are subversive or O. K.? Why, Mr. Brownell, himself, the man who started the whole business in the first place, and the man who has distinguished himself most recently by playing the numbers game and labeling perfectly innocent and loyal Government employees as "subversive" in order to build up his record. Mr. Brownell's notion of achievement is reckoned in terms of the number of individuals he has succeeded in kicking in the back when they were not looking. One is hardly likely to get a fair hearing before a man who is busy totaling the numbers of those whom he has found against, and then boasting about it.

Of course, the Republican Party is a big party and it can boast of others in its ranks who have even less respect for due process of law and constitutional rights than does the Attorney General. But events of the last weeks have demonstrated that a well publicized individual has not as yet succeeded in imposing his standards on the administration. We can indeed shortly look forward to the time when the Democratic Party and half of the Republican Party are added to the subversive list, because they fail to win the approval of this particular individual.

That is, we can look forward to that time, unless those of us who do not like it rise up here and now and say, "We have had enough," and will not let this thing go one step further. I hope many of my colleagues will give support to the position I have taken.

LEIF ERICKSON MEMORIAL

Mr. JOHNSON of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, within a week after my election on October 13, 1953, I received a letter from Mr. Iver Kalnes, McFarland, Wis., president of the Leif Erickson Memorial Association of America, asking that, on the behalf of said association, I introduce in Congress a joint resolution designating October 9 as Leif Erickson Day. I replied that I would be glad to do so, but that my first duty is to represent the farmers, laboring men and small-business men of my district in Wisconsin whose interests must be protected and advanced before other considerations. However, I assured him I would act as soon as my other duties would permit.

After arriving in Washington, I conferred with the personnel of the Library of Congress and it was pointed out to me that in the past other Congressmen and Senators had requested that October 9 be set aside as Leif Erickson Day but such resolutions had failed to pass the Congress. However, it was suggested that if a Leif Erickson Day were requested once in 10 years, Congress might see fit to pass the same. Consequently, I introduced House Joint Resolution 372

on February 9, 1954, asking that and I quote:

The President of the United States is hereby authorized and requested in 1954 and periodically thereafter, not less often than once in 10 years, to issue a proclamation designating October 9 as Leif Erickson Day and calling upon officials of the Government to display the flag of the United States on all Government buildings on said day and inviting the people of the United States to observe the day in schools and in churches and in other suitable places with appropriate ceremonies.

I also contacted the Leif Erickson Association again and they then requested that I meet with Senator HUMPHREY and suggest introduction of the same resolution in the Senate. At their request, I also conversed with my esteemed colleague, Congressman JOHN A. BLATNIK, that I might benefit from his years of experience in the House to assist me in securing passage of the same. I herewith submit a copy of the letter I received from the Leif Erickson Memorial Association.

THE LEIF ERICKSON MEMORIAL ASSOCIATION OF AMERICA, INC.,
McFarland, Wis., March 10, 1954.

Congressman LESTER JOHNSON,
House Office Building,
Washington, D. C.

DEAR MR. JOHNSON: In behalf of the Leif Erickson Memorial Association of America I want to thank you at this time for all the effort you have put forth and the money you have spent in trying to make October 9 Leif Erickson Day.

I also want to thank you for securing the assistance of Congressman JOHN A. BLATNIK, of Minnesota, and Senator HUBERT HUMPHREY, of Minnesota. I am writing each of them a letter of appreciation on behalf of the association for the work they have done and will do in the future to secure the passage of a resolution making October 9 a national holiday.

The funds of the association are limited, but we are doing what we can in our small way to acquaint the Scandinavian people of the United States with what is being done in the Congress. Other resolutions have been introduced in Congress before, but never has there been any effort to equal what you are doing at this time.

I hope we are successful this time, but if we fail, we will keep trying.

Sincerely yours,

IVER M. KALNES.

The week commencing February 7, 1954, Ezra Taft Benson, Secretary of Agriculture, issued his famous order reducing the dairy subsidies from 90 percent to 75 percent of parity effective April 1, and my time since then has been absorbed entirely working to protect the 3 million dairy farmers of America, and especially those of my district.

On March 15, I introduced a bill, H. R. 8388, which would make the 90 percent of parity subsidy mandatory for 120 days until permanent legislation can be passed by the Congress. The work on such legislation will completely occupy my time until April 1.

Starting Monday, March 22, I have made a speech every day in the House of Representatives and will continue to do so until the House Agriculture Committee gives me a hearing and reports my bill to the House so it can be acted upon.

On Saturday, March 27, I did take time to write to the chairman of the House Judiciary Committee asking for a hearing, suggesting that it be after the April recess. A copy of that letter was sent to all members of the committee. I shall read a copy of that letter:

MARCH 27, 1954.

Hon. CHAUNCEY W. REED,
Chairman, House Committee on the Judiciary, House Office Building, Washington, D. C.

DEAR COLLEAGUE: On February 9, 1954, I introduced House Joint Resolution 372 at the request of Mr. Iver Kalnes, president of the Leif Erickson Memorial Association of America, Inc. Senator HUBERT HUMPHREY, of Minnesota, introduced a similar resolution, Senate Joint Resolution 135, at the request of the same organization. At my and their suggestion, my esteemed colleague, Congressman JOHN A. BLATNIK, of Minnesota, also introduced House Joint Resolution 460. A similar resolution, Senate Joint Resolution 129, was introduced by Senator WILEY, of Wisconsin.

This same resolution or similar resolutions have been introduced periodically since the first resolution was introduced by my dear and personal friend, the late Senator Robert M. La Follette, Jr., of Wisconsin. The resolution I have introduced proclaims October 9 as Leif Erickson Day, and the States of Illinois, Minnesota, South Dakota, and Wisconsin have already designated such date by statute.

My resolution differs from past resolutions in that it provides as follows:

"That the President of the United States is hereby authorized and requested in 1954 and periodically thereafter, not less often than once in 10 years, to issue a proclamation designating October 9 as Leif Erickson Day and calling upon officials of the Government to display the flag of the United States on all Government buildings on said day and inviting the people of the United States to observe the day in schools and in churches and in other suitable places with appropriate ceremonies."

Former resolutions, I am informed, asked that October 9 be set aside as Leif Erickson Day each year. It is the thought of all concerned that in requesting observance of Leif Erickson Day once in 10 years, there will be a greater possibility of passing the same through Congress.

I have talked with my esteemed colleague, Congressman FRANCIS E. WALTER, of Pennsylvania, whose office is just down the hall from mine, in regard to securing a hearing for both House resolutions at one time and inviting the two Senators to participate at said hearing. It is my understanding that these resolutions have been introduced many times in the past, but that no effort was made to secure a hearing. My esteemed colleague, Mr. BLATNIK, and I are very anxious that a hearing be arranged as we feel very deeply that the Scandinavian people of the United States are entitled to recognition for the many achievements they have accomplished. This can be acknowledged by setting aside Leif Erickson Day as my resolution provides.

It would be deeply appreciated by Congressman BLATNIK and myself if a hearing could be held sometime after the April recess so that both Congressmen can appear, and that Senators HUMPHREY and WILEY might also appear. I am afraid the cost of travel for the president of the Leif Erickson Memorial Association of America would be prohibitive. However, if a date is set far enough in advance, I am certain that some authorities on Scandinavia from the great universities of Minnesota and Wisconsin might find it possible to be present in conjunction with other business they might have in Washington, D. C.

I shall appreciate your personal attention to the matter and, as I have said, I have talked with Congressman FRANCIS WALTER, of Pennsylvania, and he has suggested that I write you. I am enclosing a copy of my remarks on the joint resolution and also a copy of my resolution. All others are exact duplicates. I shall appreciate hearing from you. I am sending copies of this letter to the other members of the committee.

Sincerely yours,

LESTER JOHNSON.

I have received many letters from all over the United States from Americans of Scandinavian descent, and also from various lodges commending me for my fight to get this legislation through Congress. My reply to such letters has been as follows:

Thank you for writing me in support of House Joint Resolution 372, the resolution proclaiming October 9 as Leif Erickson Day, which I introduced in the House of Representatives on February 9, 1954. This resolution has been referred to the Committee on the Judiciary.

Your writing to your own Congressman and Senators in behalf of the resolution would be greatly appreciated.

Thanking you for your interest in the matter, I am

Sincerely yours,

LESTER JOHNSON.

At this time I want to commend my friend and colleague, Congressman JOHN A. BLATNIK, of Minnesota, and my friend Senator HUBERT HUMPHREY, of Minnesota, for the work they have done and will do in assisting me. I herewith urge every American of Scandinavian descent who may read my speech to the House, to express their interest by writing to their Congressmen and Senators, as well as the House Judiciary Committee asking they support this resolution and requesting that the members of the Judiciary Committee grant a hearing and report the resolution to the House so it can be adopted.

I herewith include for the RECORD a copy of this resolution:

House Joint Resolution 372

Joint resolution requesting the President to proclaim October 9 as Leif Erickson Day

Whereas it is generally agreed on the basis of historical records that the first European to set foot on the soil of North America was the Scandinavian and great Norwegian, Leif Erickson; and

Whereas Leif Erickson's discovery in about the year 1000 led forthwith to further voyages by other Norsemen from Greenland, actually in greater strength than the Pilgrim venture of 1620, and which resulted in a settlement of several years' duration; and

Whereas those early Norse voyages and discoveries, though not bound in continuity to the development, centuries later, of the North American Continent by Europeans, nevertheless form an inspiring chapter in the unfolding history of western civilization; and

Whereas it is fitting that due recognition should be accorded to those whose names are linked with the progress of man and whose exploits are milestones along that road: Therefore be it

Resolved, etc., That the President of the United States is hereby authorized and requested in 1954 and periodically thereafter, not less often than once in 10 years, to issue a proclamation designating October 9 as Leif Erickson Day and calling upon officials of the Government to display the flag of the United States on all Government buildings

on said day and inviting the people of the United States to observe the day in schools and in churches and in other suitable places with appropriate ceremonies.

COMMITTEE ON GOVERNMENT OPERATIONS

Mr. BENDER. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BENDER. Mr. Speaker, I am certain that the Members of this House are just as interested as I am in the exposure of unlawful practices, wherever they may exist. I do not know the methods by which conclusions are drawn by news writers or commentators; but I do know that there is work to be done if the people of our country are to get rid of the sinister influences which operate in many of our largest cities. The plain fact is that in many communities, an invisible government is at work, undermining community morale, penetrating into the working relationships of labor and management, creating contempt for law enforcement, and depriving honest men and women of their hard-earned wages to line unworthy pockets.

I do not believe that this Congress is seeking to muzzle an open, full-scale, completely honest inquiry into these practices. We have a duty to the Nation to reveal these findings. Too often, in the past, congressional investigations have stopped short of fulfilling their proper mission. We have discovered vicious practices and have taken superficial steps to combat them.

The investigation which I am undertaking hopes to achieve specific results:

First. We have already received a tremendous amount of authenticated information dealing with shocking practices by labor racketeers. We want to expose these practices publicly.

Second. We have found that criminal elements are penetrating some labor organizations by "muscling in," strong-arm tactics, intimidation, coercion, and bullying.

Third. We have discovered widespread fear among laboring men and women. Many are afraid to attend union meetings. Others are afraid to speak up when they do attend. Some who complain find themselves out of work shortly thereafter.

Fourth. We have evidence showing that some labor figures are reaping huge personal profits out of special arrangements involving union funds without accounting to the membership.

Fifth. Corrective legislation and vigorous law enforcement must be invoked if we are to check this invisible government and restore confidence in our labor-management field.

Since this House referred to the full committee our request for additional funds to carry on our investigation, we have been working with the balance of unexpended funds remaining from our original appropriation of $65,000 last year.

Even with the small amount now available, we have made some remarkable findings.

The pattern of major racketeering in this country has developed steadily since World War I. Most of the prominent gang figures of that period concentrated on bootlegging and when prohibition was repealed they turned to kidnapping, bank robbery, and extortion. Such figures as John Dillinger, "Pretty Boy" Floyd, "Baby Face" Nelson, and Alvin Karpis and their gang associates typify the gangsters of that era. The Lindbergh kidnapping in 1932 gave the Congress the necessary impetus for the passage of Federal legislation based on the Interstate Commerce clause outlawing at the Federal level robberies of national banks, kidnapping, and extortion in interstate commerce. Federal law enforcement activity, principally by the FBI, caused the major gangsters to turn to other areas for revenue. The operation of gambling casinos and bookmaking syndicates evolved as the principal source of funds.

During World War II black-market activities were engaged in by major hoodlums and immediately subsequent to World War II a gambling upsurge, as exposed by the Senate Crime Committee, was gangdom's principal pursuit.

Our survey today leaves the inescapable conclusion that some major racketeers and gangsters who previously engaged in labor racketeering as an adjunct of their other activities have broadened the scope of their operation in the labor field and are now exploiting to the utmost labor and employer alike.

The pattern of criminality which has characterized our national life over the past quarter of a century is once again evident. There exists today in the labor field an appalling situation which seems to be repeated in nearly every community. The racketeer labor barons have developed numerous schemes and techniques which are quickly copied in other sections until nearly every working man and employer is paying tribute to some degree. As a result, the public welfare and economy are effected detrimentally and the sums siphoned off by the labor barons are staggering. There is evidence in the hands of the Committee that the era of syndicated crime is continuing and growing. We believe that there are operating today throughout the Nation loosely knit alliances of racketeers dedicated to the looting and plundering of legitimate business and the exploiting of labor wherever the opportunity presents itself.

Some of the rackets found in a preliminary survey are set forth below:

Here are our findings in an eastern industrial city.

In the last few weeks a labor union official pleaded guilty to income tax evasion after an investigation that established that he had probably extracted some $35,000 per year from contractors employing the labor supplied by his union—"to arrange labor and see that there were no work stoppages." Only about 20 percent of this graft has been traced as yet, the investigation being discontinued due to the guilty plea with the implications that big names involved had forced the plea.

Our staff counsel has talked with a girl union employee in a furniture manufacturing plant whose expenses were paid by union officers on a wild weekend spree in which the officers took girls to a resort hotel.

A member of a third union has offered to prove that money in the union treasury was being used for campaign expenses to obtain the reelection of union officials to perpetuate themselves in office. Others stated that it was necessary to pay these men to get and hold jobs. Another said that he had seen union officials handling pay envelopes for workers on a FHA project which must have been for phantom employees, or names used in payroll padding scheme, as the workers did not appear on that job. Since the announcement of the subcommittee's interest in racketeering, a complaint was received by the United States attorney in that city to be delivered to me, alleging payroll padding on a Veterans' Administration project and the FBI's investigation to date seems to support the allegation.

Here is what we found in a gulf port city. From the dockworker's gross pay at a gulf port city a 5-percent deduction for union dues is extracted. From this fund, a union leader was found to have set up a funeral parlor, an insurance company, a radio station, and a recreation center, all of which were sources of revenue to him. A check of union books disclosed the apparent failure to include in the union treasury some $287,000 in dues in the past 4 years. The union official's personal assets increased many times although his reported income failed to indicate the source of his funds, nor funds in an amount sufficient to justify the increase.

Let us look at a Midwest manufacturing city. Investigation in this city reveals that the most prominent labor union official used his influence with employers able to obtain motor vehicles, and for whom his union supplied the labor, to obtain a number of automobiles immediately after the war. Later the official sold them on a black-market basis. The same official, through a front, is operating a trucking firm in direct competition with other trucking firms. These others must utilize drivers furnished by his union, with every implication that his own firm obtains more favorable terms. In the same city, union officials have been found borrowing funds from a union treasury to invest in a saloon. They have also been borrowing from employers of drivers for the same purpose. Substantial cash has been borrowed from produce merchants with no evidence of repayment. Obviously, produce merchants carrying large inventories subject to spoiling are at the mercy of union agents who might bring about a stoppage of deliveries. We have also found kickbacks made on expenditures of the union. Union officials control and make the expenditures only where they know a kickback is to be expected. Relatives and wives are found on payrolls but perform no duties for the union.

Here is a New Jersey port city. The friends of a business agent supplying stevedores to a major shipper prevailed on the shipper to buy tickets to a testimonial dinner. The purpose of the dinner was to present the hoodlum business agent with a new Mercury automobile from the profits.

Our committee has given its attention to a Great Lakes city.

Here a notorious Capone gangster, implicated in the St. Valentine Day murder and an associate of such members of gangdom's hierarchy as Frank "The Enforcer" Nitti, Louis "Little New York" Compagna, Paul "The Waiter" Ricca, Tony Accardo, Jake "Greasy Thumb" Guzik and Marty "The Ox" Ochs is in this picture. It is currently said by an authoritative source that he is extracting $10,000 per month from dues and assessments from union members. It further appears that this gang collaborates with and used the union involved to force employing hotels and restaurants to join and pay heavy dues to an association. This association retains a former attorney for Al Capone at $125,000 a year as a labor relations expert. A heavy majority of the union officers and business agents have criminal records and have long histories as labor racketeers. In one case, the organizing method was applied to a restaurant operated by a man and wife, and son and daughter, and son-in-law and daughter-in-law, all partners and coowners in the business. They had 4 employees, 3 waitresses, and a cook. The waitresses refused to join the union when the place was picketed. In order to obtain the withdrawal of the picket, the owner and five members of his family were required to pay dues even though they were coowners. The "muscle" used by the racketeers includes control over the drivers who will refuse to deliver supplies to a picketed restaurant and thus force submission by the owner.

In the same city, the principal officer of the largest local in its craft has acquired a private plane, a home in Florida, a northern summer camp, and various other evidences of great wealth through a number of devices connected with his union activities. He has been successful in obtaining $10,000 in salary for himself in the past 3 years for sponsoring a girls' softball team. This team advertises on its uniforms the name of a TV appliance manufacturer which employs members of his union. An insurance broker who handles the accident-health insurance for the same local has paid the union official some $47,000 in the past few years for the sponsorship of the same softball team. The official also profits from a furniture and appliance store where many of the employees deal if they know what is good for them. He obtains commissions paid to him from a check-cashing service. All he did was to arrange with the employers of his union members to permit the check-cashing service to set up a mobile unit near the pay window.

The committee also has information to the effect that a processing establishment in New Jersey was forced out of business because the owner refused to accept a union leader's ultimatium that a supervisor's union be superimposed upon an already existing contract covering workers in the establishment. Another reprehensible practice indulged in by a labor leader in the New York area concerns the delivery of free merchandise to a side business in which the labor leader was engaged. This was a "tribute" exacted from the action of the labor leader in winking at a violation of a contract between the union and the employer. The committee has under investigation at the present time a number of instances in New York, New Jersey, and Delaware where substantial payoffs were made to union leaders in connection with so-called industrywide contracts. The committee also hopes to scrutinize with the greatest diligence complaints of political-police-racketeer tieups, which have served to create apparent monopolies and which well may be in violation of the Sherman and Clayton Antitrust Acts and the Anti-racketeering Act.

Our investigation in this field has as its objectives the determination of the methods by which we can strengthen these acts to meet situations not contemplated at the time these bills were drafted. The committee also has under investigation situations in some parts of the country where the union has succeeded in enforcing demands for a percentage of gross and/or net profits under various guises of highly dubious legality. In the vending machine industry, the committee has solid evidence that so-called operators associations are using pseudo-unions, picket lines and secondary boycotts to force independent operators in places where vending machines are located to do their bidding. They attempt to justify such tactics under the heading of stabilizing the industry. Another committee of this House already has confirmed the existence of such situations and the fact that dynamitings and other acts of violence are a common byproduct.

In another metropolitan area, we have evidence that a labor leader has taken $10,000 from the funds of the union, of which he is the principal officer, to finance a business in which he is engaged. Prominent labor officials of an eastern State who represent several different unions have banded together to organize a vending machine company which is reported to be placing its machines in industrial plants with which these unions have wage contracts.

It might also be pointed out in connection with this case that many of these companies are now, or have been, engaged in production for national defense which, of course, involves expenditures of Government funds. Unbelievable as it may seem, the committee also has information which indicates that in one labor dispute in an eastern city, the leaders of one union acted as the intermediary in connection with a substantial pay-off to another labor leader for the withdrawal of a picket line.

In another midwestern city, the local laundry workers' union is fighting for local autonomy. All local labor organizations are outraged at the disregard for democracy by racketeering labor bosses who sought to take over the local through receivership.

This committee also has information that two labor leaders concerned with a labor contract with a busines organization operating in several States were permitted to participate in a stock deal that netted them a 200-percent return on their investment in 1 year's time. Also receiving attention from members of the committee staff is a rather unique arrangement under which household goods for their personal use can be purchased at wholesale price with the cost of the same covered by their expense accounts. The recital of these things could be continued indefinitely. Phantoms on payrolls seem to be a common pattern everywhere.

The cases that have been cited have been selected at random. Complaints flow into the office of the committee in an unending stream. The committee knows, on the basis of its recent contacts with several Government agencies, that this is a continuing and growing problem.

With the facts made available to our committee, it is obvious that there is not a sufficient sum of money available to do a thorough job. We hope that when we come before the membership of the House to ask for additional funds to carry on this work that we shall have your full cooperation.

EXCISE TAX REDUCTION ACT OF 1954—CONFERENCE REPORT

Mr. REED of New York submitted a conference report and statement on the bill (H. R. 8224) to reduce excise taxes, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 5632. An act to provide for the conveyance of a portion of the Camp Butner Military Reservation, N. C., to the State of North Carolina.

ENROLLED BILL SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 5337. An act to provide for the establishment of a United States Air Force Academy, and for other purposes.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD, or to revise and extend remarks, was granted to:

Mr. RODINO in two instances.

Mr. HILL.

Mr. FEIGHAN the remarks he intends to make in Committee of the Whole today and include therewith an article.

Mr. LONG.

Mr. O'HARA of Illinois.

Mr. YORTY (at the request of Mr. SHELLEY) in three instances and to include extraneous matter.

Mr. METCALF and to include in the remarks he made today a table and summary from the Federal Power Commission report and matter from the Public Affairs Institute.

Mr. Moss to revise and extend the remarks he made in the Committee of the Whole today and include extraneous matter.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. SEELY-BROWN (at the request of Mr. SADLAK), for this week, on account of death of his father.

ADJOURNMENT

Mr. BENDER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 33 minutes p. m.) the House adjourned until tomorrow, Tuesday, March 30, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1394. A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1955 in the amount of $2,134,000 for the Department of Agriculture (H. Doc. No. 357); to the Committee on Appropriations and ordered to be printed.

1395. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated November 18, 1953, submitting a report, together with accompanying papers and illustrations, on a review of reports on and preliminary examinations and surveys of the Delaware River between Philadelphia, Pa., and Trenton, N. J., and Philadelphia to the sea, made pursuant to several congressional authorizations listed in the report (H. Doc. No. 358); to the Committee on Public Works and ordered to be printed, with three illustrations.

1396. A letter from the Administrator, General Services Administration, transmitting a copy of a notice to be published in the Federal Register of a proposed disposition of approximately 161,617 pounds of whole black pepper now held in the national stockpile, pursuant to section 3 (e) of the Strategic and Critical Materials Stockpiling Act (60 Stat. 596, 50 U. S. C. 98 b (e)); to the Committee on Armed Services.

1397. A letter from the Secretary of the Navy, transmitting a draft of legislation entitled "A bill to increase the retirement annuities of civilian members of the teaching staffs of the United States Naval Academy and the United States Naval Postgraduate School heretofore retired"; to the Committee on Armed Services.

1398. A letter from the Assistant Secretary of the Navy, transmitting a draft of legislation entitled "A bill to authorize the Secretary of the Navy to dispose of certain uncompleted naval vessels, and for other purposes"; to the Committee on Armed Services.

1399. A letter from the Assistant Secretary of the Interior, transmitting a report on the feasibility and estimated cost of the Southwest Contra Costa County Water District System, pursuant to the provision relating thereto in the Interior Department Appropriation Act of 1954 (67 Stat. 266); to the Committee on Interior and Insular Affairs.

1400. A letter from the Attorney General transmitting a draft of legislation entitled "A bill to amend title 18, United States Code, to provide for the punishment of persons who jump bail"; to the Committee on the Judiciary.

1401. A letter from the Assistant Administrator, General Services Administration, transmitting a report of transfer of jurisdiction over public lands in the District of Columbia, pursuant to Public Law 143, approved May 20, 1932 (40 U. S. C. 122); to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of March 25, 1954, the following bill was reported on March 26, 1954:

Mr. PHILLIPS: Committee on Appropriations. H. R. 8583. A bill making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1955, and for other purposes; without amendment (Rept. No. 1428). Referred to the Committee of the Whole House on the State of the Union.

Under clause 2 of rule XIII, pursuant to the order of the House of March 25, 1954, the following bill was reported on March 28, 1954:

Mr. WOLCOTT: Committee on Banking and Currency. H. R. 7839. A bill to aid in the provision and improvement of housing, the elimination and prevention of slums, and the conservation and development of urban communities; with amendment (Rept. No. 1429). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted March 29, 1954*]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LECOMPTE: Committee on House Administration. House Resolution 468. Resolution to provide additional funds for the expenses of conducting studies and investigations, incurred by certain regular subcommittees of the Committee on Government Operations; with amendment (Rept. No. 1430). Ordered to be printed.

Mr. BROWN of Ohio: Committee on Rules. House Resolution 481. Resolution for consideration of H. R. 569, a bill to authorize the Postmaster General to impound mail in certain cases; without amendment (Rept. No. 1431). Referred to the House Calendar.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 6988. A bill to amend an act approved December 15, 1944, authorizing the Secretary of the Interior to convey certain land in Powell townsite, Wyo., Shoshone reclamation project, Wyoming, to the University of Wyoming; without amendment (Rept. No. 1443). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROWN of Ohio: Committee on Rules: House Resolution 484. Resolution for consideration of S. 984, an act making provision for judicial review of certain Tax Court decisions; without amendment (Rept. No. 1444). Referred to the House Calendar.

Mr. BROWN of Ohio: Committee on Rules. House Resolution 485. Resolution for consideration of H. R. 7839, a bill to aid in the provision and improvement of housing, the elimination and prevention of slums, and the conservation and development of urban communities; without amendment (Rept. No. 1445). Referred to the House Calendar.

Mr. REED of New York: Committee of Conference. H. R. 8224. A bill to reduce excise taxes, and for other purposes (Rept. No. 1446). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GRAHAM: Committee on the Judiciary. H. R. 4869. A bill for the relief of Mrs. Bert I. Biedermann (nee Ermenegilda Vittoria Cernecca); with amendment (Rept. No. 1432). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 5265. A bill for the relief of Margarete Hohmann Springer; without amendment (Rept. No. 1433). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 5355. A bill for the relief of Eva Gyori; without amendment (Rept. No. 1434). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 5578. A bill for the relief of Hatsuko Kuniyoshi Dillon; with amendment (Rept. No. 1435). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 5820. A bill for the relief of Michael K. Kaprielyan; without amendment (Rept. No. 1436). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 6026. A bill for the relief of Gertrud O. Heinz; without amendment (Rept. No. 1437). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 6478. A bill for the relief of Nick Joseph Beni, Jr.; without amendment (Rept. No. 1438). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 6636. A bill for the relief of Gregory Harry Bezenar; without amendment (Rept No. 1439). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 6998. A bill for the relief of Erna White; without amendment (Rept. No. 1440). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 7012. A bill for the relief of Nicole Goldman; without amendment (Rept. No. 1441). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 7500. A bill for the relief of Kurt Forsell; without amendment (Rept. No. 1442). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, pursuant to the order of the House of March 25, 1954, the following bill was introduced on March 26, 1954:

By Mr. PHILLIPS:

H. R. 8583. A bill making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for

the fiscal year ending June 30, 1955, and for other purposes; to the Committee on Appropriations.

[*Introduced and referred March 29, 1954*]

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AUGUST H. ANDRESEN:

H. R. 8584. A bill amending the Agricultural Act of 1949 to continue temporarily existing 90 percent of parity price supports for milk and butterfat; to the Committee on Agriculture.

By Mr. BAKER:

H. R. 8585. A bill to assist in alleviating the effects of unemployment resulting from Federal tariff or trade policy by establishing a temporary program of supplementary grants for States which provide for liberalization of their unemployment-compensation payments to persons unemployed because of Federal tariff or trade policy; to the Committee on Ways and Means.

By Mr. BYRNE of Pennsylvania:

H. R. 8586. A bill to offset declining employment by providing for Federal assistance to States and local governments in projects of construction, alteration, expansion, or repair of public facilities and improvements; to the Committee on Public Works.

By Mr. HORAN:

H. R. 8587. A bill to amend the Agricultural Act of 1949 so as to provide that feed grains acquired through price-support operations shall be sold to dairy farmers at prices equivalent to 75 percent of parity; to the Committee on Agriculture.

By Mr. KERSTEN of Wisconsin:

H. R. 8588. A bill to amend the Internal Revenue Code to provide for the exclusion from gross income of certain amounts received by employees under profit-sharing plans, and to provide an additional deduction from gross income for payments by employers under profit-sharing plans; to the Committee on Ways and Means.

By Mr. McDONOUGH:

H. R. 8589. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide increased retirement benefits for certain officers and employees of the Post Office Department; to the Committee on Post Office and Civil Service.

By Mr. O'HARA of Minnesota:

H. R. 8590. A bill to amend title IX of the District of Columbia Revenue Act of 1937, as amended; to the Committee on the District of Columbia.

H. R. 8591. A bill to protect trade-mark owners, producers, distributors, and the general public against injuries and uneconomic practices in the distribution of competitive commodities bearing a distinguishing trademark, brand, or name in the District of Columbia; to the Committee on the District of Columbia.

By Mr. OSTERTAG:

H. R. 8592. A bill to amend the Social Security Act to increase the amount of outside earnings permitted without deductions from benefits, and to provide that in the computation of such deductions, earnings shall be placed on an annual basis; to the Committee on Ways and Means.

By Mr. STAGGERS:

H. R. 8593. A bill for the relief of the city of Philippi, W. Va.; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H. R. 8594. A bill to amend title XI of the Merchant Marine Act of 1936 relating to Federal ship-mortgage insurance and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. VINSON:

H. R. 8595. A bill to amend the Uniform Code of Military Justice and to outlaw in the Armed Forces the Communist Party and similar subversive organizations, and for other purposes; to the Committee on Armed Services.

By Mr. WALTER:

H. R. 8596. A bill to amend chapter 75 of title 18, United States Code; to the Committee on the Judiciary.

By Mr. YOUNG:

H. R. 8597. A bill to provide Federal assistance for construction and reconstruction of a highway from the Nevada State line across the Sierra Nevada Mountains into the San Francisco Bay area; to the Committee on Public Works.

By Mr. DAVIS of Georgia:

H. R. 8598. A bill to amend title 18 of the United States Code to make it a capital offense to attack certain high governmental officials with a deadly weapon in certain cases; to the Committee on the Judiciary.

By Mr. HOPE:

H. R. 8599. A bill to amend section 8a (4) of the Commodity Exchange Act, as amended; to the Committee on Agriculture.

By Mr. JOHNSON of Wisconsin:

H. R. 8600. A bill to increase the daily allowance of milk, butter, and cheese in the Navy ration, and to require corresponding changes in the Army and Air Force ration; to the Committee on Armed Services.

By Mr. LANDRUM:

H. R. 8601. A bill to amend the Social Security Act to increase the amount of the wages and self-employment income of a deceased individual which may be included in computing any benefits based thereon; to the Committee on Ways and Means.

By Mr. MILLER of Kansas:

H. R. 8602. A bill to amend the Bankhead-Jones Farm Tenant Act, as amended, so as to improve the credit services available to farmers seeking to adopt soil- and water-conserving systems of farming contributing toward development of a permanently and abundantly productive American agriculture; to the Committee on Agriculture.

By Mr. ROGERS of Florida:

H. R. 8603. A bill to prohibit picketing within 1,000 feet of the grounds of the White House; to the Committee on the District of Columbia.

By Mr. AUGUST H. ANDRESEN:

H. R. 8604. A bill to amend the Agricultural Act of 1949, and for other purposes; to the Committee on Agriculture.

By Mr. OAKMAN:

H. R. 8605. A bill to amend section 6 (a) of the Natural Gas Act in order to establish a rule with respect to the valuation of gas reserves for the purpose of ratemaking under the provisions of such act; to the Committee on Interstate and Foreign Commerce.

By Mr. JACKSON:

H. J. Res. 483. Joint resolution proposing an amendment to the Constitution to redefine treason; to the Committee on the Judiciary.

By Mr. EDMONDSON:

H. Con. Res. 221. Concurrent resolution declaring the sense of Congress on the closing of Indian hospitals; to the Committee on Interior and Insular Affairs.

By Mr. HOFFMAN of Michigan:

H. Res. 482. Resolution authorizing the Speaker to appoint a committee of five to ascertain the facts in connection with a newspaper article; to the Committee on the Judiciary.

By Mr. HAGEN of Minnesota:

H. Res. 483. Resolution authorizing accommodations in the gallery of the House of Representatives for press, periodical press, newsreel, and television photographers and cameramen; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. HESELTON: Resolutions of the General Court, Commonwealth of Massachusetts, memorializing the President and the Congress of the United States to protest the entry of the Communist Government of China into the United Nations; to the Committee on Foreign Affairs.

By Mr. WIGGLESWORTH: Memorial of the General Court of Massachusetts memorializing the President and the Congress of the United States to protest the entry of the Communist Government of China into the United Nations; to the Committee on Foreign Affairs.

By the SPEAKER: Memorial of the Legislature of the State of Maryland, memorializing the President and the Congress of the United States requesting that necessary action be taken to obtain the appropriation of funds to carry out the full intent of Public Law 246 and Public Law 248; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AUGUST H. ANDRESEN:

H. R. 8606. A bill for the relief of Neil C. Hemmer and Mildred Hemmer; to the Committee on the Judiciary.

By Mr. BAKER:

H. R. 8607. A bill for the relief of Mrs. Julian C. Harlowe; to the Committee on the Judiciary.

By Mr. BENDER:

H. R. 8608. A bill for the relief of Mauri Piiparinen; to the Committee on the Judiciary.

By Mr. JAMES:

H. R. 8609. A bill for the relief of Anna Tokatlian Gulezian; to the Committee on the Judiciary.

By Mr. MADDEN:

H. R. 8610. A bill for the relief of Mary Mouskalis; to the Committee on the Judiciary.

By Mr. McCORMACK:

H. R. 8611. A bill relating to the merger of the Columbus University of Washington, D. C., into the Catholic University of America, pursuant to an agreement of the trustees of said universities; to the Committee on the District of Columbia.

By Mr. McDONOUGH:

H. R. 8612. A bill for the relief of Stefan Francis Suszko; to the Committee on the Judiciary.

H. R. 8613. A bill for the relief of Ildefonso Ramos-Romo; to the Committee on the Judiciary.

By Mr. MUMMA:

H. R. 8614. A bill for the relief of Barbara Knape; to the Committee on the Judiciary.

By Mr. POWELL:

H. R. 8615. A bill for the relief of Anthony Valamvanos; to the Committee on the Judiciary.

By Mr. UTT:

H. R. 8616. A bill to authorize the appointment of Sidney F. Mashbir, colonel, Army of the United States, to the permanent grade of colonel in the Regular Army, on the retired list; to the Committee on Armed Services.

H. R. 8617. A bill for the relief of Leong Ding Quon and Ken C. Quon; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

589. By Mr. BUSH: Petition of Mrs. Gertrude E. Chapman and other citizens of Genesee, Pa., urging the passage of the Bryson bill, H. R. 1227; to the Committee on Interstate and Foreign Commerce.

590. By Mr. FORAND: Petition of Florence E. Whipple and nine others urging the passage of the bill H. R. 1227, a bill to prohibit the transportation in interstate commerce

of advertisements of alcoholic beverages, and for other purposes; to the Committee on Interstate and Foreign Commerce.

591. By Mr. McINTIRE: Petition signed by 224 citizens of Presque Isle, Maine, petitioning Members of Congress to work to get a hearing on the Bryson bill, H. R. 1227, a bill to prohibit the transportation in interstate commerce of alcoholic beverage advertising in newspapers, periodicals, etc., and its broadcasting over radio and TV; to the Committee on Interstate and Foreign Commerce.

592. Also, petition signed by 28 citizens of Mars Hill, Maine, petitioning Members of Congress to work to get a hearing on the Bryson bill, H. R. 1227, a bill to prohibit transportation in interstate commerce of alcoholic beverage advertising in newspapers, periodicals, etc., and its broadcasting over radio and TV; to the Committee on Interstate and Foreign Commerce.

593. Also, petition signed by 111 citizens of Fort Fairfield, Maine, petitioning Members of Congress to work to get a hearing on the Bryson bill, H. R. 1227, a bill to prohibit transportation in interstate commerce of alcholic beverage advertising in newspapers, periodicals, etc., and its broadcasting over radio and TV; to the Committee on Interstate and Foreign Commerce.

594. Also, petition signed by 95 citizens of Easton, Maine, petitioning Members of Congress to work to get a hearing on the Bryson bill, H. R. 1227, a bill to prohibit transportation in interstate commerce of alcoholic beverage advertising in newspapers, periodicals, etc., and its broadcasting over radio and TV; to the Committee on Interstate and Foreign Commerce.

595. By the SPEAKER: Petition of the regional chairman, Committee on Effective Citizenship of the New England Student Christian Movement, Boston, Mass., opposing the McCarran "immunity" bill (S. 16); to the Committee on the Judiciary.

596. Also, petition of Lewis H. Baker and others, Fort Myers, Fla., requesting passage of H. R. 2446 and H. R. 2447, proposed social-security legislation known as the Townsend plan; to the Committee on Ways and Means.

597. Also, petition of W. F. Dale and others, Orlando, Fla., requesting passage of H. R. 2446 and H. R. 2447, proposed social-security legislation known as the Townsend Plan; to the Committee on Ways and Means.

598. Also, petition of Catherine Harkins and others, Sarasota, Fla., requesting passage of H. R. 2446 and H. R. 2447, proposed social-security legislation known as the Townsend plan; to the Committee on Ways and Means.

599. Also, petition of Mrs. Pearl Clark and others, Tampa, Fla., requesting passage of H. R. 2446 and H. R. 2447, proposed social-security legislation known as the Townsend plan; to the Committee on Ways and Means.

600. Also, petition of W. E. Flournoy and others, Glenn County, Calif., asking the same price-support level throughout the farming industry whether it be high or low; to the Committee on Agriculture.

EXTENSIONS OF REMARKS

Communism

EXTENSION OF REMARKS
OF

HON. GEORGE S. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 1954

Mr. LONG. Mr. Speaker, I have been very much concerned with the amount of space devoted by newspapers, radio, and television to discussing communism. I was surprised by the letters that poured in on my office from almost every State in the Union following my address on the floor of Congress on the subject, "Communism in the Churches."

It must be true that our people are keenly aware of the menace of communism. To me, this is a healthy sign. Someone once said, "Eternal vigilance is the price of liberty." Unfortunately, we are a nation of extremists. We go from one extreme to another. We were indifferent to the menace some 20 years ago. Today, many people are laboring under a false impression and belief with respect to the seriousness of this threat. It is in the hope that I can perhaps shed a little light upon this subject that I come to you at this time.

The question most asked is, "How great is the menace?" Let me tell you that, in 1938, there were approximately 200,000 Communist card-holding members of the party in the United States. It did not compare with the memberships in France and in many other countries. Their program in this country was through the device known as the "front organization." Their ability to deceive gullible and unthinking people enabled them to wield much power in this Nation. We are a nation of joiners. I recall when other organizations have swept this country, and literally scores of good people joined. They joined to satisfy their curiosity, largely because they thought they could accomplish good. Likewise, when the Communists set up many front organizations, some with patriotic objectives, they found it easy to enlist the support of thousands of good Americans. As a matter of fact, the total claimed number of this type of organization in the United States in 1939 was in the thousands. It is hard to believe that so many Americans would affiliate with organizations concerning whose origin and purpose they had no knowledge. But this seems to have been the case. We must bear in mind that the majority of people who join these organizations were not Communists. They were not aware of the nature and purpose of the organization.

As soon as our people were properly informed, many of them immediately quit the organizations. Nevertheless, as a result of exposure, most of these organizations went out of business. The party itself shrank; until today, it numbers approximately 25,000 Communists in the United States.

Therefore, it follows as a matter of commonsense that the menace is far less today than it was during the period we slept. You can always depend on the American people to react properly and favorably when they are informed. May it be said to the credit of both political parties, Republicans as well as Democrats, that they have steadfastly supported the investigation and exposure of un-American activities. If innocent people who, in their carelessness joined these organizations, are persecuted and held up to public scorn, a great deal of harm will be done.

I believe that we should be constantly on the watch, since the very nature of communism is such that it can suddenly expand. As long as we have the ballot and homeowners and home lovers, as we do today, I do not believe we need ever fear communism taking over our country through popular consent.

I believe that poverty plays a leading role in Communist recruiting in our country. No doubt, when people are poor and feel that they are victims of discrimination, that would mitigate in the interest of the Communist movement.

We have traitors with us, and we will have them for a long time to come. I have believed for many years that we must constantly recognize what we are dealing with. I believe that communism means Russia, and I also believe that Russia means war, and that the free world must come to a showdown with Russia. My opinion is based upon statements of the leaders of the Soviet Union from the very beginning of the movement up to the present time.

Communism is marxism, and marxism is opposed to God; and how a godless country can live in peace and harmony with a country that worships God and believes in the divinity of Jesus Christ is more than I can understand.

There never has been a cult, since the beginning of time, which held so rigidly to its doctrine as communism. The very heart of their doctrine is world conquest. Since the Soviet Government has been in existence, they have taught their people world revolution and have talked about the time when a world revolution would occur. They are dead-bent, in my humble opinion, upon controlling the entime world and bringing it under the yoke of communism—and when they think the time is ripe, they will strike. We must remain strong on land and sea and in the air.

From time to time, they have changed their tactics. There was the period of the "front organization," during which many gullible people were enticed into communism. That was the period in which they pretended they were seeking democratic objectives by peaceful means. Their tactics may change, but their objectives remain today the same as they have ever been. It is a criminal conspiracy and, for that reason, men like Browder were convicted of crimes such as forging passports, and Dr. Burton was sent to the penitentiary for counterfeiting United States money to serve his party. They agree with Lenin that everything, whether right or wrong, shall be used if it serves their purpose. The world is dealing with international gangsters, with people who are committed to the planning and perpetuation of crime. When we recognize this ugly truth and approach the problem realis-

tically, then our country will be more secure.

God knows, all of us hope and pray that war will not come. I do not believe there is enough room in the world for people who want to be free and people who have aspirations of human dignity to live with a cult which is dedicated—heart, mind, body, and soul—to the objective of conquering the entire world.

In 1929 Stalin addressed a group of American Communists in Moscow and very frankly and boldly told them:

Yours is the decisive task. Go back to the United States and do all you can to prepare for the moment when we must conquer America.

So, when all of the Communist leaders for 25 years have admitted and boldly said to us, "We cannot live with you in the same world; communism cannot be secure or complete until such a time as you are destroyed," I am compelled to believe that in the words of Washington, "It is wise to prepare for the worst."

In the meantime, since it is a criminal conspiracy, as all of the courts have so found it, and since every congressional committee has concluded that it is a criminal conspiracy, why should we permit it to have legal stature in the United States, and how can you deal with it as long as you recognize it as legal?

This is no child's play. This is a fight for keeps. We must understand as a people that you and I will live to see the dreadful day when the forces of freedom, when nations who believe in the dignity and the rights of man, must call a halt to the ever-expanding ambition of communism. Furthermore, when they reach a stalemate in this cold war and are no longer able by deceit and trickery to extend their ruthless dominion, then they will resort to a hot war, a war that they are now feverishly preparing to wage.

I believe that the United States of America should make her position clear to the entire world—that we do not propose to sit idly by and see Russia enslave the rest of the world, that the time will soon come when we will have to speak out in no uncertain terms and say to her, "You cannot go one step further. Either you desist or you will have to fight." We are going to have to become stern and make our position crystal clear so that no one will misunderstand it. We will have to become equally as stern with our allies, and let them know where we stand and what they can depend on.

This thing of pussyfooting has reached the point where even our own people do not understand just what we mean. In my opinion, all of these meetings we are attending in foreign countries bid no good for the United States. I think they are merely saying to us: "Let us play the game." And then when they fail to accomplish their purpose by exacting from us an agreement that is favorable to them, they call the meeting off. The next step is to call another meeting, attempting the same thing, and hoping to wear down our resistance to the point that we will give in and that possibly Communist China will become a member of the family of nations and be permitted to join the United Nations.

When this happens, then the United States of America will either bow to the wishes of the Communist world or be forced to quit the United Nations. This is coming. This is their objective, and they will not quit. World revolution, as I said before, is their aim—to conquer the world. In my way of thinking, Russia is the only serious threat to world peace. The sooner we recognize this, the better it will be for America.

Central Valley Project Water and Power Partnership

EXTENSION OF REMARKS
OF

HON. SAMUEL W. YORTY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 1954

Mr. YORTY. Mr. Speaker, I wish to speak on the crisis that is confronting California's Central Valley, one of the most productive regions in the world.

BRIEF BACKGROUND

This vast oval-shaped valley covering 12 million acres with its fertile farms, growing cities and the many food-processing industries has rightly been called the heartland of California.

But Central Valley's life-giving rains do not fall at the right time or in the right places. Its people have lived largely by irrigation and electric power and its expanding population outran its supply of both. For many years the lack of storage and the unequal distribution of water cried out for a solution. The Sacramento River was pouring its wealth, often in destructive floods into the sea; at the same time the San Joaquin end of the great valley was suffering from constricting water shortage. Underground water tables sunk alarmingly, thousands of acres of farm land were abandoned, and many more threatened with the return of the desert.

In a monumental effort to alleviate this situation, California in 1931 launched the State water plan which included the big dams, powerplants, transmission lines, canals, and pumps designed to distribute the surplus waters and to serve the entire Central Valley. But unable to finance the project, the people through the State agency appealed to the Federal Government for assistance. In 1935 the Congress and the administration agreed to develop the valley as a Federal reclamation project.

In less than 20 years since California persuaded the Federal Government to undertake the Central Valley project, the Bureau of Reclamation has made tremendous strides in the development of a sound, far-reaching water conservation system. Constructed with interest-free money the project has provided 7½ million acre-feet of new water and close to a million kilowatts of new electric power. Under contract to irrigation districts, the water has been delivered to parched land and dying orchards hundreds of miles from its source at costs as low as $3.50 per acre-foot for class I, and $1.50 per acre-foot for class II water.

THE CRISIS: STATE PURCHASE VERSUS CONTINUED FEDERAL CONSTRUCTION AND OPERATION

If California is to irrigate and produce annually the billion-dollar crops in competition with areas having all-year-round rainfall, it must have low-cost water. Under Federal operation through the use of power revenues, the cost of the project water has been reduced to a low competitive figure. At the same time the power generated at the various hydroelectric portions of the project has made possible pumping the water uphill and to its destination. And yet the sale of power, I am glad to say, has produced revenues sufficient to fully amortize construction and operating costs at 3 percent interest.

State acquisition and operation of the Central Valley project will not benefit the majority of the water and power users of the valley. On the contrary, it appears to be a device sought by large corporate farm interests and short-sighted private utilities. These farm interests believe that through State ownership they can completely nullify the provisions of reclamation law limiting land which may receive project water to 160 acres in one ownership or 320 acres for man and wife.

As in the proposal actually made for the Feather River project, the State plan would ultimately provide for sale of all publicly generated power at the bus bar. The State proposes to raise the price of power developed by the project so that it would be noncompetitive with private power sales. Thus, preference agencies including irrigation and public utility districts, cities, and cooperatives would be denied low-cost power which reclamation law now assures them.

This would result in rising pumping costs to irrigation districts and their farmer members. Likewise, the cost of electricity to cities, business, and domestic consumers would doubtless rise.

THE SOLUTION: CONTINUED FEDERAL OPERATION AND EXPANSION

The majority of those who need and use the Central Valley project for water strongly support continued Federal ownership and operations. Irrigation district representatives are fearful of having their water distribution systems bankrupted if the State floats revenue bonds to buy the project, causing them to be obligated to the banks for water upon which they depend for their livelihood. Many vividly recall the depression and accompanying financial troubles of the 1930's. They believe that should economic difficulties again arise the Federal Government, based on past experience, could be relied on to make downward adjustments in their payments.

Rather than State acquisition, I, too, support continued Federal ownership and operation of the Central Valley project—and more important—that this half completed project receive sufficient Federal funds for its immediate and continued expansion. To this end, funds should be provided at an early date for construction of a tunnel conduit to bring

water from the Delta Mendota Canal into the central coast counties.

Other essential features are construction by the Bureau of Reclamation of the Trinity River diversion and upper Klamath development projects required to supply water and power to keep apace with the growing population. And to supplement the completed work and that just mentioned, I invite attention to the need for steam plants to firm up public generating facilities and for transmission lines at a sufficiently low voltage to bring public power to where people can use it.

NEW POWER POLICY A BACKWARD STEP

I look with misgiving at proposals to turn many of the great hydroelectric resources of this Nation over to the private power companies thus depriving the people of the benefits of feasible multiple-purpose development as is their right under reclamation law. Licenses to private utilities should not be a means to destroy or obstruct coordinated water and power development.

ECONOMIC STABILITY THREATENED

We must not jeopardize our economic future. The threat of growing unemployment, the threat of drought, the threat of a continued downward trend in our economy in the light of our constantly increasing population needs makes it imperative that additional supplies of low-cost water and power be assured.

I maintain that the successful water and power partnership must not be removed from the jurisdiction of reclamation law and that the most feasible and economical source for these additional supplies is through the continued Federal development of the Central Valley project.

Noteworthy Achievements of the Organization for Rehabilitation Through Training

EXTENSION OF REMARKS
OF
HON. PETER W. RODINO, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 1954

Mr. RODINO. Mr. Speaker, it is, indeed, a pleasure for me to invite the attention of the House to the activities of an unsual organization. The Organization for Rehabilitation Through Training is deserving of our highest commendation as it reaches another anniversary. We are extremely fortunate to have, in the interest of international understanding and solidarity, such an organization whose noble and constructive work has been progressively expanding for 74 years.

Right here in the Congress we regularly appropriate huge sums of money and debate at great length means whereby we may alleviate world distress. We seek to raise worldwide standards of living, aspiring to attain for all peoples the bare essentials for their existence. There are two principal motivating objectives that guide our actions. Humanitarian reasons, first of all, compel us to share our abundance of food, material goods, and our technical competence; and secondly, by reducing the suffering in the underdeveloped areas of the world, we strive to control, in some measure, the spread of communism.

There are those of us, however, who are prone to overlook the significant contributions that an organization such as the present one is making on an ever-expanding front. It does not require, nor does it seek, any national legislation or appropriations to subsidize its operations. Neither does it precipitate any international or domestic crises. The Organization for Rehabilitation Through Training is contributing decisively to world peace. Recognition and acknowledgement of its beneficial work, on our part, would be the first step to supplement effectively the current means we are taking to help people to help themselves. Subsequent methods and opportunities for us to further this group's valuable work would gradually be developed and presented for our consideration.

The Organization for Rehabilitation Through Training administers and operates a global system of tuition-free schools for the vocational education of Jewish people. Self-reliance and comradeship characterize the 18,000 trainees who comprise the network of 300 vocational training classes in 20 countries of the world. Five different continents are represented.

A tremendous service is rendered to the individual who in most instances is an underprivileged person in need of rehabilitation. A large portion of the student body consists of dislocated personnel who are desperately in need of economic security and of some stability in their precarious existence. Thousands of individuals consequently have had their standard of living raised, and have achieved an attendant personal dignity that they had never known before. And we may safely conclude that without this noteworthy program they might never have realized a similar dignity of person. Not only to the individual himself, but also to the community, a tremendous service is rendered. The student becomes a trained and useful citizen who is well qualified for his task in filling the needs of democratic nations for highly skilled workers and craftsmen. The Organization for Rehabilitation Through Training is the point 4 program of Jewish life.

The growth and mobility of the Organization for Rehabilitation Through Training throughout the world reflects the comparable migrations of the Jewish people during the past 74 years. The organization first began its work in teaching skills to the persecuted Jewish victims in Russia. From that time onward, its growth and activity were constant and finally culminated in the rehabilitation work for the sufferers under nazism. The boundaries were extended to North Africa as a result of World War II, and since that time, to the further rehabilitation of Iron Curtain refugees. Invaluable support is being afforded the Organization for Rehabilitation Through Training by the numerous local chapters in this country. At a recent biennial convention in New York City attended by 305 delegates and 361 alternates who represented 25,427 members it was reported by the national president that there had been a 78 percent increase in the women's chapter units.

It is with a feeling of profound assurance, then, that I note the intensely valuable contribution that the Organization for Rehabilitation Through Training is making for better understanding and neighborliness among the nations of the world. Let us hope that not only will this organization continue its consistently expanding and excellent service to humanity, but it will serve as a worthy inspiration to other groups and organizations that may pattern their own activities or future programs in somewhat similar fashion. Regardless of the extent and quantity of legislation we may pass seeking to foster international good will and understanding, the role played by this type of organization must be fully appreciated as an essential and decisive supplement to such legislation.

Small Business Act Needs Improvement

EXTENSION OF REMARKS
OF
HON. SAMUEL W. YORTY
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Monday, March 29, 1954

Mr. YORTY. Mr. Speaker, we are all deeply concerned about the recent decline in economic activity. Industrial giants are so far proving able to ride out the storm, but the position of small-business men deserves our particular attention. Many small-business men are experiencing considerable difficulty, and their decline in profits has not always been offset by repeal of the excess-profits tax, as in the case of many of the very large corporations. According to Dun & Bradstreet, there were in the United States 16 percent more commercial failures in 1953 than in 1952. The increase in failures has been accelerated since the latter half of last year. During the first 10 weeks of this year, business failures—averaging more than 220 per week—have exceeded the 1952 figures for the corresponding period by 43 percent and the 1953 figures by 30 percent.

Earnings of small corporations with less than a million dollars in assets have also declined in 1953 as compared with previous years and were, during fiscal 1953, 80 percent of what they had been during the average for the 3-year period of 1947–49.

Government aid to small business has also been far less than adequate. Military prime contracts in some instances go primarily to large businesses, while small business is more directly affected by even slight drops in the general market. Thus, in aircraft the 100 largest contractors were awarded 68 percent of

the contracts during fiscal 1953 as compared with 63 percent during the previous year.

We must bear in mind, however, that even though it is well understood that small and large enterprises grow together, the unhampered growth and development of small business is a necessary condition for a prosperous economy, and it is important that we strive to help small-business men in order to assure to them opportunities for stability and growth.

The friends of small-business men must rally to the support of a strong and independent Small Business Administration. I stress the word independent because it is easy to submerge the activities of an agency set up to protect and promote small business interests by putting it under the direction of large and long-established Government departments. The history of Government efforts to aid small concerns indicates very clearly the advisability of completely independent status for the agency whose function is to promote the interests of the small firm.

Long-term credit for growing small businesses must be improved. The bulk of the legitimate credit needs of small business have been adequately taken care of by the private banking institutions of the Nation. It would be impossible for our high level economy to function if this were not the case. However, in numerous instances, businessmen have been unable to expand their operations to the extent that they desire because of the lack of long-term capital on terms which make it feasible for them to use it.

Experts have indicated that a major factor contributing to the collapse of many small firms has been their inability to obtain long-term credit. For all practical purposes, the organized security markets are closed to them. The initial costs of floating a small stock or bond issue are usually prohibitive. Then too, the localized nature of most small businesses makes it necessary as a rule for such securities to provide a higher return if they are to be sold.

Strengthening the principal Government agency that supplies credit to small enterprises, which banks are unable to do, would be in the interests of a vigorous competitive economy.

The current tight economic condition is fraught with danger to the small-business man, and it is up to the Small Business Administration to aid directly or to help loosen credit terms in order to give small business a chance for survival and an opportunity to flourish.

In order to help small-business men I am introducing a bill amending the Small Business Act of 1953.

Briefly, the amendment provides for the following changes in the Small Business Act of 1953:

First. It would set up a Small Business Administration—due to expire in June 1955—on a permanent basis.

Second. It would raise the limit on a Small Business Administration loan from $150,000 to $500,000 and control the interest rates that are to be charged on Government-guaranteed loans.

Third. It would authorize the agency to make loans to States and municipalities; right now it can mete out financial aid to businesses only.

Fourth. It would abolish the Loan Policy Board which at present establishes the lending policy of the Small Business Administration. The three members of the Board are the Administrator of the Small Business Administration and the Secretaries of Commerce and Treasury. The amendment would make the Small Business Administration a completely independent agency.

The need for action in this area is urgent. The enactment of the proposed amendment will contribute toward economic stability and prosperity.

We Must Help the People of Israel in the Struggle for Their Survival

EXTENSION OF REMARKS
OF
HON. PETER W. RODINO, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Monday, March 29, 1954

Mr. RODINO. Mr. Speaker, the annual United Jewish Appeal is now in progress. This year the United Jewish Appeal is trying to raise some $120 million to distribute among its component organizations. The bulk of the fund is dedicated to help Israel achieve the basis necessary for its survival. Additional millions are devoted to aid distressed men, women, and children in Israel, in Moslem lands, and in Central and Western Europe, as well as to help settle new immigrants expected to arrive in this country under the new Refugee Relief Act and to aid thousands of immigrants already in the United States to become financially independent and useful citizens in their new homes.

The UJA is a voluntary organization dedicated to humanitarian purposes. It aids the people of Israel in building new agricultural settlements; in transforming waste land into productive acreage by irrigating it; it helps build a homeland for thousands of victims of the persecution of totalitarianism and fanaticism. UJA's objective is to help these people strike roots in Israel and to live in peace with their neighbors in Israel.

But, in addition to the purely humanitarian grounds, there is another reason for our interest in helping UJA. The establishment of Israel has added a new representative republic to the family of nations.

In recent years the world has seen totalitarianism score many, many victories and suppress the aspirations for freedom of millions of people. In this struggle between ideologies, Israel forms a new democratic outpost in an area where there is little recognition of what human rights are and what freedom means. It is important for us in the United States, and for all freedom-loving nations, that Israel survive and grow strong. The United States and the nations of Western Europe have a vital interest in the Near East. This further intensifies our concern over the development of Israel.

In its 6 years of independence Israel has made great forward strides. Governor Adlai Stevenson, who recently visited Israel, observed that the achievement of the new nation has exceeded his expectations. "More human and material progress," he stated, "is concentrated in tiny Israel than in the rest of the Middle East put together."

It should be a matter of pride to the United Jewish Appeal that it played a major role in Israel's settlement and development. The funds contributed by the UJA have made possible the movement to Israel of 723,000 refugees, thereby helping double the population of that country, creating hundreds of new agricultural settlements, some of which were carved out of wilderness, and reclaiming 600,000 acres of waste land which lay fallow for 2,000 years.

But, while the efforts of the people of Israel, with the help of freedom loving people from everywhere, particularly in the United States, have helped create and sustain the new nation, the struggle for Israel's survival is not yet finished. Freedom and progress, which are an integral part of the growth of Israel, are not indigenous to the area surrounding that small and remarkable nation. Its frontiers are not yet safe and the aspirations of its people for peace have yet to be realized.

The people of Israel have forged to their goal of a self-sufficient modern democratic state. But their great achievements must go forward if their full fruits are to be gained.

The United Jewish Appeal deserves the help of all freedom loving people. In the words of the Prophet, "The children of strangers shall build up thy walls." In 1954 the people of Israel must not be left without friends, and, God willing, we will justify their faith.

The Small Business Administration

EXTENSION OF REMARKS
OF
HON. WILLIAM S. HILL
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES
Monday, March 29, 1954

Mr. HILL. Mr. Speaker, the concern of the Eisenhower administration and the 83d Congress for the small-business man is evidenced by the creation of the Small Business Administration last July. SBA is the first peacetime independent Government agency created solely to advise, assist, and protect all small-business enterprises.

A prime objective of SBA is to provide maximum assistance to small-business concerns in their own communities. Toward this end, the agency's 31 field offices work in close cooperation with State and local groups such as trade associations and community development organizations.

SBA offers three major types of assistance to small firms:

First. Business loans: Any small business that meets certain commonsense credit requirements may apply for an SBA loan. First, however, the businessman should apply to his bank for a loan. If the bank cannot make the loan, the businessman should then call on the nearest SBA field office for advice and guidance before preparing a formal application for a SBA loan. The loan program of SBA went into effect October 1, 1953 and as of March 15 the SBA has authorized 110 loans totaling $6,679,400.

Second. Contract assistance: SBA helps small firms to obtain a fair share of orders and contracts from both public and private buyers and in increased volume of subcontracts from large prime contractors. Here, too, the businessman who is interested in prime contract and subcontract assistance should visit the SBA field office which serves his area. From August 1, 1953, through January 31, 1954, the SBA procured 278 contracts amounting to $16,376,651.

Third. Management and technical assistance: Frequently, owners and managers of small companies are skilled in 1 or 2 phases of business operation but lack the rounded management experience so essential to success. To assist them in overcoming this disadvantage, SBA publishes three series of helpful management and technical publications and provides assistance to individual small firms which have specific problems.

In addition to these major services, SBA field offices advise and assist small-business concerns in numerous other ways. For example, the field offices make available to small business information on Government-owned and other patents which are a source of new product ideas, and reference sets of packaging and packing specifications most commonly needed by small firms.

Oscar Mayer's 95th Birthday

EXTENSION OF REMARKS
OF
HON. BARRATT O'HARA
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 29, 1954

Mr. O'HARA of Illinois. Mr. Speaker, I am sure my colleagues in the Congress would wish to join me in extending congratulations to Oscar Mayer on this, his 95th birthday. Mr. Mayer opened a butcher shop in Chicago 71 years ago. His sausage products caught on, and the famous packing company bearing his name resulted. At 95 he is fit and alert, gets to the office every morning at 9. Joining in today's celebration of his natal day will be 16 grandchildren, 20 great grandchildren. Missing will be Carter H. Harrison, 5-time mayor of Chicago, who died a few months ago at 93. Harrison and Mayer were inseparable friends. Chicago is proud and fond of Oscar Mayer, one of her greatest sons.

The Air Force Academy

EXTENSION OF REMARKS
OF
HON. SAMUEL W. YORTY
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 29, 1954

Mr. YORTY. Mr. Speaker, the passage of Public Law 325, 83d Congress, providing for the establishment of an Air Force Academy, is one of the most important steps taken by this Nation in recent years. It is to be hoped that this act marks the turning point in our long-term military preparedness program. At the present time the five-member Site Selection Commission, appointed to make recommendations regarding the location of the Air Force Academy, is in the process of examining sites proposed for the Academy.

Selection of a permanent site for the Air Force Academy is naturally of great interest to us all. It is a very important step, and I am sure that any community in the United States would feel honored to have a site in its area selected for this purpose. I am most happy to propose that the State of California be given this honor.

Recently I obtained from the Department of Defense a list of the major factors to be considered by the Site Selection Commission in determining the location to be recommended for the Academy. This list of factors has served to strengthen my belief that possibly no other area in the country is more suitable for the purposes of this Academy than is California. There are the factors:

1. Acreage: The Academy will require facilities for a 4-year academic and flying training program. In addition to classrooms, library, laboratories, dormitories, etc., provision must be made for a modern flying field, rifle and machinegun ranges, maneuver areas, athletic fields, and for possible future expansion. It is estimated that 15,000 acres will be required.

2. Topography: The Air Academy will become a national monument as are West Point and Annapolis. In selecting the permanent location, consideration will be given to the natural beauty of the site and of the surrounding country as well as to the availability of level ground suitable for a modern flying field.

3. Community aspects: Consideration will be given to the character and variety of educational institutions, religious, cultural, and recreational facilities, readily accessible to the site. Consideration will be given also to accommodations for parents and friends of cadets visiting the Academy.

4. Climate: A four-seasonal climate without extremes of heat or cold is desirable. Other climatic consideration are: Precipitation; depth and duration of snow cover; temperature; humidity; fog, wind, and dust conditions.

5. Water supply: An adequate and dependable water supply is essential. It is estimated that 3 million gallons per day will be required.

6. Utilities: Electric power and natural gas or other fuel will be required. Consideration will be given to the location of existing power and pipelines with respect to the site.

7. Transportation: Cadets and visitors will come from all parts of the country. Consideration will be given to the convenience of the site with respect to railway, airline, and highway systems.

8. Cost: Factors to be considered are the cost of the land and necessary easements, preparation of the site, removal or relocation of existing installations, access roads, railroad spurs, the construction index for the particular location, etc.

9. Flying training: Flying training, both airplane observer and airplane pilot, will be included in the courses of instruction. Under this factor consideration will be given to the extent to which other air traffic might interfere with this training.

It is readily apparent that no place in the world combines these particular factors as well as does California. Our great State fulfills every single requirement. California has long been famous for its climate and topography. Our metropolitan areas are surrounded by suitable acreage and can supply the necessary extensions of transportation facilities and utilities at a minimum cost. Most of all, our educational, religious, cultural, and recreational facilities provide the best possible atmosphere for the building of character.

Two particular factors make it especially appropriate that the Air Academy should be located in California. We are education-conscious and air-minded. Nearly 200,000 students are enrolled in our institutions of higher learning—the second highest total for a single State—and within our State is manufactured approximately 40 percent of all United States aircraft products. These are factors indicative of the youth and vigor of our State. They demonstrate a progressive, pioneer spirit suited to the air age.

The pioneer spirit of California is the spirit that should guide United States air policy, the importance of which can hardly be overstated. Western Europe is free today largely because the United States possessed the atomic bomb and the means of delivering it at the close of World War II. The Red army of the Soviet Union thus far has been denied the prize of Western Europe by our ability to strike the Soviet homeland with long-range strategic bombers. This fact should be recognized at every step we take to build up and maintain a program of military security.

During the past year I have taken every opportunity to oppose the defense officials' efforts to cut back our military airpower, and recently it has become evident that those same officials have finally seen the error of their past judgment. Last spring they ignored the heroic but vain plea of Gen. Hoyt Vandenberg, who devoted his energies to the struggle for adequate airpower almost to his death. Last spring they overruled this distinguished airman and cut back the Air Force budget by $5 billion. This year, after examining our defense requirements, these same officials have revised upward their estimates of our military airpower needs. They have come to understand what General Vandenberg and the rest of us who have been advocating increased airpower have known all along—that adequate airpower is indispensable to our national security.

The time and money lost and the disruption suffered by our aircraft industry are tragic reminders of last year's blunder; but the important thing is that we look to the future and by concerted action attempt to make up for those mistakes. While the so-called New Look emphasis on airpower is not at all new, I am encouraged that the Pentagon officials have finally taken a look at this Nation's airpower requirements. I am encouraged that they now see the importance which airpower plays in the world today. I am hopeful that this Nation will never again permit a reckless and ill-considered cutback of its greatest source of strength against Communist aggression.

The establishment of the Air Force Academy is a most significant step in building up and maintaining an Air Force second to none. I hope that California—which is the logical home for the Academy—will be chosen to furnish the location for this worthy institution. I am confident that the Site Selection Commission will find no other State whose resources and characteristics provide so adequately for all of the foreseeable needs of the Academy.

SENATE

TUESDAY, MARCH 30, 1954

(Legislative day of Monday, March 1, 1954)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal Spirit, closer to us than hands or feet: In this quiet moment make our hearts and minds sensitive to Thy presence. Refresh our faith that the tensions of these days may not break our spirits. Gird us with the confidence that Thy truth is marching on, even in the perplexities of these anxious times.

We thank Thee for every word of truth which is being spoken throughout the wide world and for all the right which the human conscience has perceived and woven into the social fabric. In the fearful conflict now raging between truth and falsehood, remind us that beyond the appraisals of man there falls upon our lives the searching light of Thy judgment. Make us ministers of that love which will not halt its growing sway until our stricken humanity is healed and redeemed, as all nations and kindreds and tongues and peoples are joined at last into one great fraternity under the banner of freedom and justice. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 29, 1954, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on March 30, 1954, the President had approved and signed the following acts:

S. 54. An act for the relief of Juan Ezcurra and Francisco Ezcurra;

S. 316. An act for the relief of Vera Lazaros and Cristo Lazaros;

S. 551. An act for the relief of Mamertas Cvirka and Mrs. Petronele Cvirka;

S. 850. An act for the relief of Alice Power and Ruby Power;

S. 931. An act for the relief of Vilhjalmur Thorlaksson Bjarnar;

S. 1038. An act for the relief of Silva Galjevscek;

S. 1137. An act for the relief of Utako Kanitz;

S. 1440. An act for the relief of Paolo Danesi;

S. 1652. An act for the relief of Robert A. Tyrrell; and

S. 2073. An act for the relief of Esther Wagner.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5337) to provide for the establishment of a United States Air Force Academy, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 5337) to provide for the establishment of a United States Air Force Academy, and for other purposes, and it was signed by the Vice President.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that following a quorum call and a brief executive session there may be the customary morning hour for the transaction of routine business, under the usual 2-minute limitation on speeches.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. KNOWLAND. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

The PRESIDING OFFICER (Mr. POTTER in the chair). Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of executive business to act on nominations beginning with the new reports.

The motion was agreed to; and the Senate proceeded to consider executive business.

The PRESIDING OFFICER. If there be no reports of committees, the clerk will proceed to state the nominations on the calendar under the heading "New Reports."

UNITED STATES CIRCUIT JUDGE

The Chief Clerk read the nomination of John A. Danaher, of Connecticut, to be United States circuit judge for the District of Columbia Circuit.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES DISTRICT JUDGE

The Chief Clerk read the nomination of James Lewis McCarrey, Jr., of Alaska, to be United States district judge for division No. 3, district of Alaska.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEYS

The Chief Clerk read the nomination of Theodore F. Stevens to be United States attorney for division No. 4, district of Alaska.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Donald E. Kelley to be United States attorney for the district of Colorado.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of W. Wilson White to be United States attorney for the eastern district of Pennsylvania.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of N. Welch Morrisette, Jr., to be United States attorney for the eastern district of South Carolina.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Duncan Wilmer Daugherty to be United States attorney for the southern district of West Virginia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES MARSHALS

The Chief Clerk read the nomination of Archie M. Meyer to be United States marshal for the district of Arizona.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of William Raab to be United States marshal for the district of Nebraska.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Charles Peyton McKnight, Jr., to be United States marshal for the eastern district of Texas.